

Algeria	20.00	Iran	10.00	Poland	10.00
Belgium	20.00	Israel	10.00	Portugal	10.00
Denmark	20.00	Italy	10.00	Spain	10.00
France	20.00	Japan	10.00	Sweden	10.00
Germany	20.00	South Korea	10.00	Switzerland	10.00
Greece	20.00	Taiwan	10.00	Thailand	10.00
Hong Kong	20.00	USA	10.00	Turkey	10.00
India	20.00	West Germany	10.00	Yugoslavia	10.00
Indonesia	20.00				

EUROPE'S BUSINESS NEWSPAPER

# FINANCIAL TIMES

**BRITAIN**  
Never quite able to catch the bus  
Page 24

FT No. 31,279  
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Wednesday October 17 1990

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World News Business Summary

## Three US economists to share Nobel Prize

American economists Harry Markowitz, Merton Miller and William Sharpe won the 1990 Nobel Economics Prize for pioneering work in the theory of financial economics and corporate finance. Page 3

### Currency fraud

East Germany's state foreign trade bank was defrauded of about DM500m (£330m) after currency union with West Germany last July, Berlin justice authorities said. German and foreign citizens had claimed a preferential exchange rate for fictitious exports. Page 2

### Iraq-linked arrests

Customs and Excise officers raided the UK headquarters of an Iraqi-owned engineering company and arrested three British directors during an investigation into suspected illegal exports of machine tools to Iraq. Page 2

### Shuttle visit allowed

Pakistan's former prime minister Benazir Bhutto, battling for re-election despite charges of misrule, halted a police raid on her home and was allowed to visit her arrested husband. Page 2

### Yeltsin unwell

Russian Federation president Boris Yeltsin, who returned to work last Friday three weeks after being hurt in a car accident, has been sent home again on doctor's orders. Page 2

### Paolo Gucci loses

Paolo Gucci, grandson of the founder of the elite fashion house, has been hit by an illegal loans scandal and by financial difficulties, was dealt a further blow with the resignation of three top executives. Page 2

### Kenya inquiry

An inquiry into the murder of Kenyan foreign minister Robert Ouko opened in Kisumu a month after British police gave the government an independent report. Page 2

### Li verdict soon

A verdict is expected today or tomorrow in the corruption trial of Hong Kong's stock exchange. Page 4

### Police beat women

Ivory Coast police used tear gas to beat up a group of women protesting for press freedom. Several women were hurt and 50 arrested. Photograph. Page 4

### Friendship journey

South Korean premier Kang Young-hoon crossed one of the cold war's last frontiers to the North Korean capital of Pyongyang for talks on ending 45 years of hostility. Labour shortage. Page 4

### Rebuke to Japan

The US Senate voted to withdraw 5,000 troops a year from Japan unless Tokyo pays the cost of American forces there. Tokyo row. Page 4

### African leader ill

Zeph Mothopeng, 77, leader of South Africa's radical Pan Africanist Congress of Azania, is gravely ill with cancer in Johannesburg. Page 4

### Priest falls IRA

A Roman Catholic priest talked two masked Irish Republican Army bombers into calling off an attack in Northern Ireland. They were holding six hostages, including a woman due to give birth in two weeks. Page 4

### Swoop on Mafia

Police arrested 14 organised crime bosses at Marsala, Sicily, on a tip-off from a woman gangster whose Mafia lower was gunned down by rivals. Page 4

### Byatt wins Booker

British author Antonia Byatt won the Booker Prize, the UK's top literary award, for her novel Possession, a mystery romance. Page 4

## Conditional approval for Courage and Grand Met deal

The creation of the UK's second largest brewing group, through the pub-for-breweries swap proposed by Courage and Grand Metropolitan, is to be approved by the government, but only under strictly limited conditions. Page 37

### GOLD price

\$ per ounce in London  
420  
410  
400  
390  
380  
370  
360  
350  
340  
330  
320  
310  
300  
290  
280  
270  
260  
250  
240  
230  
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150  
140  
130  
120  
110  
100  
90  
80  
70  
60  
50  
40  
30  
20  
10  
0

Aug 1990 Oct 1990

Source: Reuters

Gold price fell sharply after a two-day advance, battered by rising oil prices and uncertainty over the direction of the federal budget. The Dow Jones industrial average fell 35.15 points to 2,381.89. Markets, Section II

### SUMITOMO Bank, leading Japanese commercial bank, which has been hit by an illegal loans scandal and by financial difficulties, was dealt a further blow with the resignation of three top executives. Page 2

### BANK of France has lowered its compulsory reserve levels, cutting the cost of funding for French banks and raising expectations of a cut in bank base interest rates. Page 2

### EUROPEAN Community farm ministers look increasingly unlikely to accept a 30 per cent cut in agriculture subsidies. Page 2

### VANGUARD, Brazilian airline, has signed a \$2.16bn contract to buy 14 aircraft from US aircraft maker, Boeing. Page 3

### CREDIT Commercial Bank, French commercial bank, has reported a 4 per cent rise in first-half net profits to FF756.4m (£7.8m). Page 2

### BANQUE Marseillaise, Spain's highest bank, is likely to pay more than \$10m in fines and indemnities to the Chilean Central Bank to end an angry dispute over an alleged fraud in the rapidly growing Chilean debt-equity swap market. Page 2

### MERRILL Lynch opened what is expected to be a season of sluggish results from Wall Street securities houses with a 12 per cent rise in its net income for the third quarter. Page 2

### US pharmaceuticals giants posted robust growth in earnings, in line with analysts' expectations. Page 2

### MAN Nutzfahrzeuge, commercial vehicles subsidiary of MAN, the German engineering group, increased net profits by 45 per cent in the year ended June 1990 to DM158m (£21.08m). Page 2

### NATIONAL Power, largest UK electricity company, plans a large increase in the use of natural gas in electricity generation. Page 2

### Business and the Environment

TODAY: the FT launches a weekly page on Business and the Environment, analysing how companies are reacting to environmental issues. Page 17

## Lufthansa drops application for 26% stake in Interflug

By Andrew Fisher in Frankfurt and Paul Betts in London

LUFTHANSA, the German national airline, has withdrawn its application to buy a stake in Interflug, the former East German carrier, opening the way for a possible partnership between Interflug and a foreign carrier. Lufthansa had sought to preempt any deal between Interflug and any other western carrier by attempting to acquire a 26 per cent stake in the airline. However, the Federal Cartel Office in West Berlin expressed reservations over the move. Lufthansa's decision yesterday to drop its application appeared designed to avoid the embarrassment of a possible refusal on competition grounds. After Lufthansa announced its intention to buy 26 per cent of Interflug, the deal became part of a controversial debate over the extent to which competition should be promoted while the economy in east Germany was being rebuilt. Yesterday, Lufthansa said its withdrawal reflected the fact that in a united Germany, the Bonn government was a shareholder in both airlines. It did, however, hold out the possibility of "a merger in another form", stating that it would consult the cartel office beforehand and make another application, if necessary. It made clear that it now hoped for a quick decision from Bonn over Interflug's future. As with many other companies in the east, Interflug is a loss-maker with ageing equipment. Lufthansa wanted the stake in Interflug in order to increase its share of traffic in Germany and Europe. If Lufthansa had stood by its offer, but the cartel office had confirmed its rejection, the company could have turned to the Economics Ministry to have the rejection overturned on the grounds of public interest, but the outcome of such a move would have been uncertain. Lufthansa, 51 per cent of which is owned by the Bonn government, argued that a stake in Interflug would not have inhibited competition. Lufthansa, which has taken over Pan Am's Berlin service, plans extensive services into Berlin starting on 28 October, after the ending of restrictions imposed by the Second World War allies on flights into the city. British Airways is understood to have expressed interest in acquiring a large minority stake in Interflug. Such a move would be consistent with its strategy of developing new European hubs with a view to expanding its operations in eastern Europe. BA last week signed an agreement with Aeroflot, the Soviet airline, to conduct a feasibility study on the possibility of setting up a new joint international Soviet airline called Air Russia. But BA has so far been unable to make a business judgement over the taking up of a 49 per cent stake in Interflug because of a lack of information about the former East German carrier. In spite of repeated requests by BA, this information has not yet been forthcoming.

## Gorbachev attacked over pace of market reforms

By Leyla Boulton in Moscow

PRESIDENT Mikhail Gorbachev yesterday unveiled his long-awaited economic reform programme and immediately antagonised radical critics with the vagueness of the plan's commitment to a market economy. The programme, an attempt to combine the Soviet government draft with a radical strategy drawn up under Professor Stanislav Shatalin, is lukewarm about private property and avoiding hyperinflation. The document, submitted to deputies before a formal presentation by the Soviet leader on Friday, also drops any notion of a specific timetable for implementing reforms. The Shatalin plan's 500-day schedule was seen as a crucial prop for the nation's morale, enabling people to hold the government to some kind of time-scale after five years of abortive tinkering with economic reform.

Mr Boris Yeltsin, President of the Russian Federation, attacked the Gorbachev plan as "an attempt to preserve the old administrative-bureaucratic system", and said it was doomed to failure. The news agency Tass quoted Yeltsin, a long time critic of Mr Gorbachev's economic policies, as saying implementation of the programme might mean the Russian Federation to create its own currency, army and customs system and refuse to co-operate.

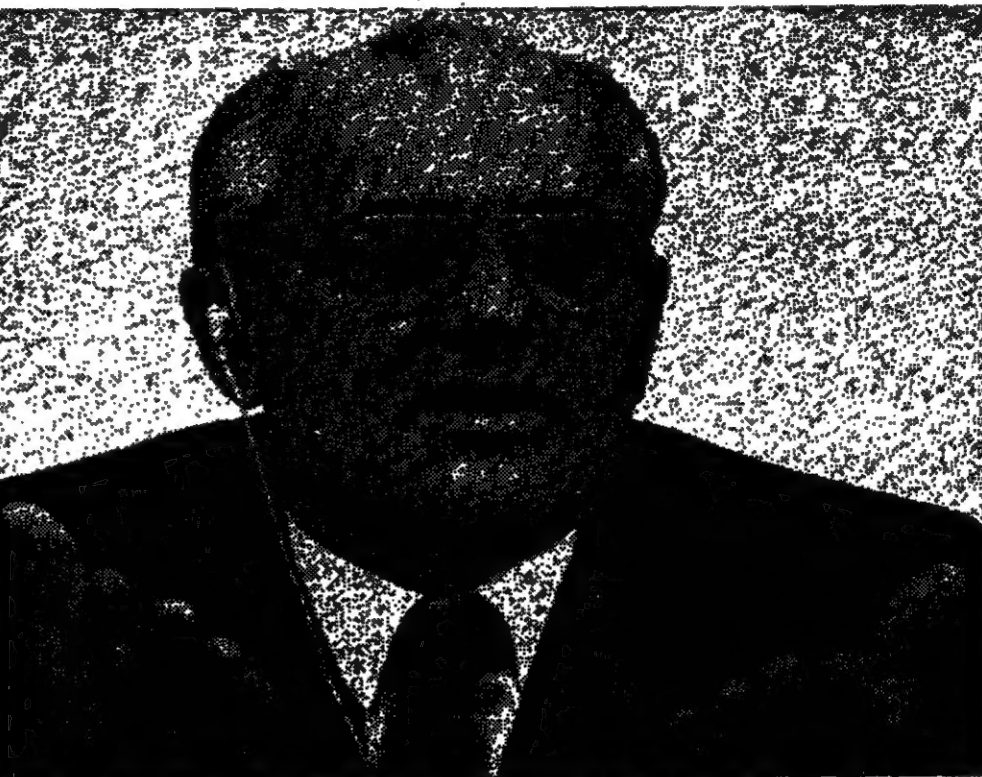
Although the Russian Parliament has already adopted the 500 day programme, the plan might mean the Russian Federation to create its own currency, army and customs system and refuse to co-operate.

Mr Richard Thornburgh, the attorney general, had told Mr Gonzalez that he was distressed by the decision to go ahead with the hearing as the BNL scandal is "a sensitive case with national security concerns". A similar criticism was made by Mr William Sessions, director of the FBI. Mr Gonzalez alleged yesterday that the BNL loans "permitted Iraq to spend their scant hard currency on some of the very weapons that are now aimed at our children". He also said the BNL affair was a case study in regulatory failure.

Mr William Taylor, director of banking supervision at the Federal Reserve Board, said the BNL scandal "involved massive fraud in which a large number of employees acted together to conceal the operations and deceive auditors and examiners". Mr Paul Dickerson, a senior official at the US Commodity Credit Corporation (CCC), the US agency that guarantees agricultural exports, yesterday revealed a \$2bn liability over loan guarantees for exports to Iraq, of which the BNL component was \$247m.

The most heated criticism of Bush administration officials came from Mr Charles Schumer, a New York legislator who suggested it was possible that "the invasion of Kuwait might have been fully or partly financed by BNL money". Mr Schumer described the statements from administration officials as sounding "like an apology for Saddam Hussein".

Mr Joseph Kennedy, Congresswoman from Massachusetts, attacked the US Eximbank for having continued to approve \$300m of loan guarantees for Iraq after Saddam Hussein "used poison gas against his own people". Mr Kennedy also expressed anger that the US government faced more than \$2m of losses on guaranteed Iraqi loans. "We have a president who is talking about going to war with these people and now we are going to guarantee their unauthorised loans."



Mikhail Gorbachev: he omitted a specific timetable for the long-awaited reforms

while the new draft talks about privatisation and the "democratisation" of the economy, it makes no provision for a comprehensive sell-off of state property. Neither does it mention the likely closure of unprofitable enterprises. In contrast to the Shatalin plan, which seeks to divide up collective farm land among farmers, the presidential plan calls for recognition of "different kinds of property" and the closure only of collective farms which perform poorly.

As well as alienating the Russian Federation, the plan already appears to have been rejected by the Baltic republics, which had backed the Shatalin programme. The three republics boycotted a meeting of republican leaders to discuss the document last Saturday.

For some radical economists, much of the Shatalin programme was already short-circuited last week by recent moves such as a 50 per cent increase in the government's purchase price for meat-making - huge administrative decrees price rises inevitable.

## Congressmen put pressure on Bush over BNL loans to Iraq

By Alan Friedman in Washington

ANGRY members of the US Congress yesterday alleged that part of the \$3bn unauthorised loans to Iraq made by the BNL scandal was used to finance purchases of military equipment and possibly even Iraq's invasion of Kuwait. Officials of the Bush administration were subjected to tough questioning by members of the House of Representatives Banking Committee, which yesterday opened the first US public hearings to be held since the BNL loan scandal broke 15 months ago.

It emerged then that the Atlanta, Georgia, branch of BNL had been involved in more than \$3bn in unauthorised letters of credit to Iraq. A grand jury in Atlanta is examining allegations of bank fraud and bank reporting violations and possible kickback payments.

Mr Henry Gonzalez, chairman of the House Banking Committee, decided to go ahead with its BNL hearing despite strong pressure from the Bush administration to limit public discussion of the matter.

Mr Richard Thornburgh, the attorney general, had told Mr Gonzalez that he was distressed by the decision to go ahead with the hearing as the BNL scandal is "a sensitive case with national security concerns". A similar criticism was made by Mr William Sessions, director of the FBI.

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## Michael Milken on trial: the hottest show in town

Michael Milken, the former junk bond king, has already agreed to pay \$500m in fines. Now a US judge must devise an appropriate sentence, which could range from community work to up to 28 years' imprisonment. Page 6

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STERLING	
New York	\$1.955 (1.948)
London	\$1.955 (1.948)
DM1.5105 (1.5225)	
FF15.0825 (1.5225)	
SP1.27505 (1.275)	
Y127.505 (127.75)	
London	DM1.5155 (1.523)
FF15.0750 (1.523)	
SP1.2785 (1.2845)	
Y127.20 (127.15)	
\$ Index 88.15 (88.0)	
Tele. close Y128.06	
US banknotes rates	
Fed Funds 5%	
3-mo Treasury Bill:	
yield: 7.38%	
Long Bond:	
yield: 8.95%	

DOLLAR	
New York	DM1.5105 (1.5225)
London	DM1.5105 (1.5225)
FF15.0825 (1.5225)	
SP1.27505 (1.275)	
Y127.505 (127.75)	
London	DM1.5155 (1.523)
FF15.0750 (1.523)	
SP1.2785 (1.2845)	
Y127.20 (127.15)	
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3-mo Treasury Bill:	
yield: 7.38%	
Long Bond:	
yield: 8.95%	

STOCK INDICES	
FT-SE 100:	2,503.5 (-18.3)
FT-SE 250:	1,616.3 (-13.9)
FT-AE-Share:	1,007.38 (+0.7%)
New York	DJ Ind. Av.
	2,851.19 (+55.19)
S&P 500	300.34 (+0.7%)
Tokyo Nikkei	23,902.10 (+408.90)
LONDON MONEY	
2-month interbank:	closing 18 1/4-13 1/4
13 1/4-13 1/4	(13 1/4)
Libor 6m gill rate:	Dec 83 1/4 (83 1/4)



## EUROPEAN NEWS

# Paris drags its heels over pact with Moscow

By Ian Davidson in Paris

FRANCE is dragging its heels in negotiations with the Soviet Union over a bilateral agreement similar to that Moscow initiated with Bonn.

President Mikhail Gorbachev is expected to visit France on October 28 and 29, and a decision on the agreement, which is due to be signed during his trip, will have to be taken very soon.

The Soviet Union is anxious to reinforce its relations with western Europe by negotiating bilateral treaties with several other European governments. Negotiations are under way with the UK, as well as with two other major west European countries, according to French officials.

But disagreements between Paris and Moscow, and an unresolved debate within the French administration, mean that it is uncertain whether the Franco-Soviet agreement will turn out to be a binding treaty like the German-Soviet one.

The recent tendency in the French government has been to down-grade the status of the agreement from a treaty to that of a simple declaration expressing general goodwill.

The government has misgivings about the principle of negotiating a treaty with the Soviet Union at this moment, and serious objections to Soviet proposals that a Franco-Soviet Treaty should include a non-aggression commitment, along the lines of Article 3 in the German-Soviet treaty.

French officials concede that this article is not a literal or a legal infringement of Germany's existing security commitments under the North Atlantic treaty or the treaty of Western European Union. But they maintain that it is politically at variance with the spirit of these treaties.

Moreover, they also question whether it is inherently desirable for western European countries to conclude a network of hindering bilateral treaties with the Soviet Union at this moment. First steps in laying out the groundwork for a new European security architecture are supposed to be taken at the 35-nation pan-European CSCE summit next month, and it is not necessarily sensible to pre-empt that meeting with a series of agreements with the Soviet Union, they say.

French worries over the planned Franco-Soviet agreement are paralleled by reservations over the joint declaration between the European Community and the US, which is scheduled to be signed immediately before the CSCE Summit.

The question is whether the declaration should institute any new institutional link between Washington and Brussels, in addition to the regular discussion meetings which take place between the two sides. The French are opposed to anything which might even appear to give the US a 15th seat at the Community table.

## Bank of France cuts reserve levels

By George Graham in Paris

THE Bank of France has lowered its compulsory reserve levels, cutting the cost of funding for French banks and raising expectations of a cut in bank base interest rates.

Compulsory reserves, which are held without remuneration by the Bank of France in proportion to each bank's level of deposits, will be reduced by around 1.5 per cent from their current level of 11.5 per cent.

The measures are expected to lead to a cut of perhaps a quarter of a percentage point in the French bank base rate, currently 10.5 per cent, while leaving the Bank of France's money market intervention rates unchanged.

Mr Jacques de Larosière, governor of the Bank of France, said the modification of the compulsory reserve requirements had been under study since January. The central bank was concerned to discourage banks from shifting their deposits to other centres, such as Luxembourg, where they escape such requirements.

The economic climate, with a slowdown in activity and slower money supply growth, had made it possible to carry out this reform, which will mean a slight loosening of monetary policy.

The rate of compulsory reserves for time deposits, bank bills, certificates of deposit and repurchase will be cut to 0.5 per cent from 3 per cent.

The rate for passbook savings accounts, which was

also 3 per cent, will be scaled back to 2 per cent.

At the same time, banks will be allowed to count their holdings of notes and bills as part of their compulsory reserves. Mr de Larosière said this would bring the French system closer to those of countries such as Germany and the US.

The Bank of England does not use compulsory reserves. The move might also increase in the security of banks' cash, by no longer obliging banks to shift their cash surpluses daily to the Bank of France in order to escape compulsory reserve requirements.

This has been one of the worst France has seen for armed hold-ups of security vans transporting money.

Mr de Larosière also announced a major revision of French money supply measures. The main change is the inclusion of short-term money market mutual funds in M3, a broad measure of money supply which also covers certificates of deposit, sight and time deposits and repurchase.

M3 is likely to replace M2 next year as the monetary aggregate targeted by the Bank of France, the governor said.

The Bank of France will also monitor a new even broader aggregate, M4, which adds to M3 commercial paper and Treasury bills, and will publish three new aggregates, P1, P2 and P3, covering investment vehicles such as bonds, shares and insurance policies.

## Blessing for Moscow's new commodity exchange



A Russian Orthodox priest, sprinkling holy water and chanting "Pray to the Lord," yesterday blessed a new Moscow commodity exchange at a ceremony in the headquarters of the Soviet-led economic bloc Comecon. Reuter reports from Moscow.

The traditional Russian blessing for new enterprises, unprecedented since the 1917 revolution, follows the opening last month of the country's first functioning commodity exchange. Organisers say this exchange will be bigger and different because it is not controlled by the government.

The exchange, known as the Moscow Commodity, Raw Material and Stock Exchange, is a joint stock company

based on an existing organisation that has been conducting experimental trading for the past six months.

Resembling an auction or a clearing house for physical goods, it is a far cry from the sophisticated commodity markets of the west and represents a return to the mercantile traditions of Russia's pre-revolutionary past.

The Russian republic's light industry minister, Mr Alexander Biryukov, said the exchange would improve raw material distribution and boost supplies of scarce consumer goods.

"We will have some guarantees of supplies of raw materials, which will help us to improve supplies of consumer goods so badly needed in this

country," he said.

"Above all we can trade in footwear here, various types of clothes and other goods," he said.

At the founding ceremony, Father Sergei led a chorus of liturgical singing before a congregation of about 300 exchange members and guests.

The Comecon hall, with a makeshift altar at centre stage adorned with candles and an icon to the Virgin Mary, was once the scene of talks between eastern European communist leaders defending their faith in central planning.

Exchange sponsor Konstantin Borovoi said any commodity could be traded from cement to washing

machines, grain, computers and industrial machinery. Mr Alexander Volovik, a trader, said he hoped that foreign companies would take part in the new exchange. "Stock exchanges are practically absent from our country. People are living without an exchange. They cannot live without it, but they still do," he said.

"The Soviet ruble does not work. The exchange is a beginning that allows our sick economic system and falling ruble to stabilise and become convertible," he said.

Russia's first commodity exchange opened in Leningrad in 1975. By 1914 there were 115 commodity and stock exchanges.

## Rising inflation rate threatens Portuguese pact on wages

By Peter Wise in Lisbon

PRICES in Portugal rose 1.1 per cent last month as the Gulf crisis added to pressures thwarting the centre-right government's efforts to control inflation.

The increases, reflecting domestic fuel price rises in August and September of 1.1 per cent, brought the annual rate of inflation to 13.8 per cent last month, compared to 12.7 per cent in August. The National Institute of Statistics announced yesterday. Prices increased 13.7 per cent between September 1989 and September 1990.

The rise in the rate of inflation

will fuel doubts raised by trade unions, who are negotiating a national wage pact, over the government's ability to reduce inflation from a forecast average rate of 13.25 per cent this year to 10.75 per cent in 1991.

This is the target that Mr Miguel Belesca, the finance minister, was expected to announce when he unveiled his proposals for the 1991 budget last night.

Mr Anibal Cavaco Silva, the prime minister, earlier indicated that the budget would involve increases in indirect taxation and cuts in govern-

ment spending aimed at slowing the growth of domestic demand and fighting inflation. But he said the government, which is preparing for a general election in mid-1991, would increase investment in modernising infrastructure and improving social services.

Mr Belesca was expected to announce a budget deficit of \$612bn (\$4.4bn), representing 6.3 per cent of GDP. This compares with a forecast deficit for this year of \$540bn, or 6.5 per cent of GDP. Tax revenues are expected to increase by 22 per cent to \$52,900bn.

## Report lists global warming options

By John Hunt

EMISSIONS of carbon dioxide which cause global warming can be cut by a quarter by the year 2005 and 40 per cent by 2020 if international action is taken now, according to a report prepared for the world climate conference in Geneva at the end of the month.

An abundance of options will become feasible soon for reducing greenhouse gas emissions, says the report by the Stockholm Environment Institute.

Among the options are carbon taxes on coal and oil - the

main producers of carbon dioxide - and the removal of subsidies on these fuels. Others are alternative technologies such as wind and wave power and improved energy efficiency.

The report says if no action is taken global energy consumption will increase by between 26 and 45 per cent by the year 2005 and by between 55 and 100 per cent by 2020.

But the use of energy efficiency measures could halve this projected growth in con-

sumption by the year 2005.

The suggestion that greenhouse gases can be reduced by 25 per cent by 2005 will put pressure on Britain to improve its target for a reduction in these emissions. So far it has only said it will stabilise carbon dioxide emissions by 2005.

The report shows that the top three countries producing greenhouse gases by volume are the US, Soviet Union and Japan, followed by Brazil and Germany.

Britain comes seventh after West Germany.

## Turks flounder in fight against terrorism

John Murray Brown reports on how a move to counter political violence has backfired badly

TURKEY was yesterday trying to contain the political damage after a senior minister claimed the government planned to execute nearly 200 political extremists held on death row to counter a wave of political violence.

Politicians from all sides were still trying to explain the government's decision to parliament - which has the power to decide on death sentences handed down from the courts - come to an immediate decision on the execution of prisoners on death row. The proposal struck many Turks as being almost as brutal as the killings themselves.

Ironically, it was President Turgut Ozal who had hitherto backed parliament's stance, in the hope a more humane approach would improve Turkey's image in the west.

But Mr Mehmet Koceler, a state minister said this week that renewed executions could be a deterrent for other terrorists. According to the Turkish Human Rights Association, there are 287 people still awaiting parliament's decision, many of them charged with crimes committed more than 10 years ago.

Since the government proposal has been condemned by every serious newspaper and attacked by opposition politicians, it has also reportedly split the ruling Motherland Party ANAP.

The controversy coincides with a growing public belief that the authorities are increasingly powerless to deal with the problem of political violence, although the authorities in Istanbul, the site of the worst violence, last week announced a doubling in the size of the city's police force.

Death threats seem an almost daily feature in the life of a Turkish public servant, and many people carry firearms. Since the introduction of new rules earlier this year, all parliamentarians have to leave their guns in a lobby, following a shooting incident inside the chamber between two deputies.

Since the beginning of the year more than 20 people have been killed. In January Mr Muammer Aksoy, head of the Turkish Law Association, was gunned down in Ankara. The following month the prominent Turkish journalist, Mr Cetin Emec, was murdered. In the most daring incident, Mr Hiram Abas - the former intelligence chief known in Turkish papers as James Bond - was shot in his car last month.

Islamic extremists claimed responsibility for Mr Aksoy's killing, while Mr Hiram Abas is believed to have been the target of the banned Dev Sol, a leftist terrorist group active in the 1970s.

But the police have singu-

larly failed to bring anyone to trial. "It is the police chiefs who are co-operating with the Mafia which makes the police force untrustworthy in the eyes of 94 per cent of the Turkish public," complained one former senior officer dismissed for accusing his colleagues of supporting illegal fundamentalist sects.

The latest controversy follows the murder 10 days ago of Mrs Bahriye Uock, one of the most respected politicians on Turkey's moderate wing, a secularist and a defender of the rights of women.

One observer said the turnout at her funeral last week represented the largest public gathering since the massed demonstrations of the 1970s. The government hailed the gathering as further evidence of the public support for its drive against terrorism.

Yet even on this issue it seems there is not a political consensus. Newspapers noted

Four bombs exploded in northern Cyprus on Saturday in an apparently politically-motivated campaign. No one was hurt, Reuter reports from Nicosia.

Explosions destroyed cars belonging to left-wing politicians, a businessman and a retired army officer.

No one claimed responsibility. The "Cyprus Turkish People's Movement" has carried out previous bombings.

that the wreath sent by President Ozal was left lying outside the mosque. It was then turned upside down.

Three days before her death Mrs Uock had submitted a report to parliament on the subject of Islamic fundamentalism. The day she was buried ANAP members turned down an opposition request to debate the issue of fundamentalism. Having done so, they proceeded to press for a decree to permit the wearing of religious headgear at universities, an issue Mrs Uock had strongly criticised in her report.

The uproar and confusion over the government's latest suggestion is a reflection of the public concern at what many Turks see as a chilling reminder of the political chaos which preceded the military coup of 1980. "There are the killers, and the killers of the killers," says Mr Suleyman Demirel, leader of opposition True Path Party, and a former prime minister at the time of the 1980 military intervention.

Yesterday his party was calling for a referendum on the issue of the executions. "There is no reason why those committed for crimes in the past should be hanged as a punishment for today's murders," he said.

## French inflation rises to 3.8% a year

By Ian Davidson in Paris

THE increase in French inflation sparked by the Gulf crisis continued last month, according to provisional figures released yesterday.

Consumer prices rose 0.5-0.6 per cent in September, after 0.6 per cent in August, the Statistical Institute reported. This takes inflation to 3.1 per cent so far this year and 3.8-3.9 per cent for the past 12 months.

Through this is higher than the 3.1 per cent the government had been forecasting for 1990, officials are comparatively satisfied with the outcome.

Two-thirds of the September price increase is accounted for by the rise in the price of oil, indicating that internal inflationary pressures remain reasonably under control. In addition, inflation in France during the past two months has been lower than in a number of its leading trading partners in Europe, including Italy, Belgium, Switzerland and Britain.

In the key comparison with Germany, however, the French performance is less favourable, and the gap which had been narrowing has widened again.

## Truck drivers block roads

Spanish truck drivers, angered by rising fuel prices, barricaded roads for a third day yesterday and all but shut border passes into France and Portugal, AP reports from Madrid.

The interior ministry ordered police to break up barricades on roads around cities and to arrest violent pickets, nine of whom have been jailed.

Meanwhile in Brussels, Mr Karel Van Miert, the EC transport commissioner, urged Italy and Austria to reopen their border to trucks, halted since Monday by a dispute over crossing permits.

About 1,200 trucks are stranded on both sides of the Brenner pass, the busiest Alpine link between Italy, Austria and Germany.

Austria is issuing a reduced number of crossing permits citing pollution and environmental problems caused by heavy trucks rolling through quiet Alpine valleys.

## Dutch awarded drugs prize

The Netherlands, often castigated for its permissive attitude towards drugs, has been awarded a \$10,000 prize by a US foundation for its narcotics policies, Reuter reports from The Hague.

The Washington-based Drug Policy Foundation, a private organisation which opposes treating drug users as criminals, awarded the Dutch government the prize for "its effective and humanitarian drug policies".

The government allows special "rehabilitation" to sell small quantities of cannabis and offers hard drug addicts free methadone treatment.

## Nationalists stage Ukraine protest

Tens of thousands of students marched through the Ukrainian capital of Kiev for a second day yesterday to demand the resignation of the republic's Communist government, Reuter reports from Kiev.

About 70,000 protesters waved Ukrainian and yellow Ukrainian national flags as they marched towards parliament. Police did not intervene.

The students and opposition politicians say the government is blocking implementation of the Ukraine's declaration of sovereignty, passed in July.

## Kohl pays visit to wounded minister

German Chancellor Helmut Kohl yesterday visited his interior minister, Mr Wolfgang Schäuble, who is "stable" in hospital after weekend surgery to remove a bullet from his spine following an assassination attempt, Reuter reports from Freiburg.

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## Three US economists share Nobel prize

Michael Prowse on the winners' pioneering work in the theory of corporate finance

THE 1990 Nobel Prize for Economics was awarded yesterday to three US academics for their pioneering work in the theory of financial economics and corporate finance.

Professors Harry Markowitz, Merton Miller and William Sharpe will share the prize of \$84,000 which they will receive on December 10 at the Nobel ceremony in Stockholm.

Financial services have been among the most buoyant sectors in all industrial economies in recent years. And financial markets have attracted a degree of public interest that would have been unthinkable in previous decades.

It is entirely fitting, therefore, that the 1990 Nobel Prize for Economics should have been awarded to three US economists who helped lay the foundations for a theoretical understanding of how financial markets work.

"This year's award will not generate any surprise in academic circles," said Professor Mervyn King, head of the Financial Markets Group at the London School of Economics. "All three are regarded as father figures and all have had a major influence on the theory and teaching of corporate finance."

Many economists would argue that Mr Markowitz, born in 1927 and a professor



at Baruch College, City University of New York, effectively founded modern investment theory, with his pioneering article Portfolio Selection, published by the Journal of Finance in 1952.

Mr Sharpe, born in 1934 and a professor of finance at Stanford University, built on Mr Markowitz's foundations, helping to forge what is now known as the capital asset pricing model.

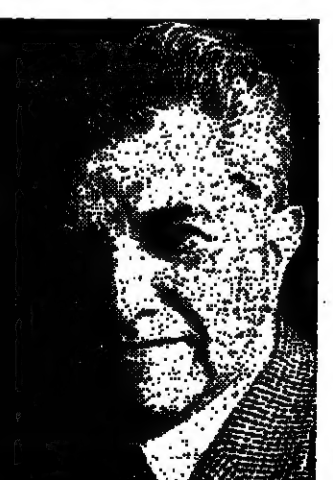
Mr Miller, born in 1923 and a professor at the University of Chicago's business school, is best known for joint work



with the late Nobel laureate, Professor Franco Modigliani of MIT, who won the Nobel economics prize in 1986.

Prior to Mr Markowitz's path-breaking analysis it was generally assumed that the risk premium which investors would demand on a particular financial asset would depend largely on the variability of the expected return on the asset. If the expected income stream was highly uncertain, the required risk premium would be high.

The capital asset pricing model shows that this is not



the case. Investors care not about the variability of the return on any particular asset but about the risk associated with their entire portfolio.

What matters, therefore, is the degree to which the returns on a particular asset are correlated with those on other investments and with the business cycle in general. An asset with a highly variable return can have a low risk premium provided the expected return is out-of-step with those on other assets.

The famous Modigliani-Miller theorems, established

in the late 1950s and early 1960s, show that under perfect competition (and ignoring tax effects) the cost of capital to a company - and its market value - will be independent of both its debt-equity ratio and its dividend pay out ratio.

These are counter-intuitive results: a heavily indebted company might be expected to be worth less and pay more for capital than one with few debts.

In later important work, Mr Miller showed that tax incentives favouring debt over equity finance would not influence the desired debt-equity ratios of individual companies although it would affect the aggregate debt ratio of an economy.

Unlike some previous winners of the Nobel prize - such as Milton Friedman and Friedrich Hayek - Professors Markowitz, Sharpe and Miller are unlikely to become household names. Their work is highly technical and they represent no strong ideological position.

But the award should prove popular within the economics profession. The growth of financial markets in the 1980s has been mirrored by a burgeoning of financial economics as a sub-specialism within academic departments.

The Nobel award will add to the growing prestige of this still relatively junior branch of economics.



## WORLD TRADE NEWS

## Caterpillar supplies machinery to two Romanian mines

By Judy Dempsey, recently in Bucharest

CATERPILLAR, the US-based maker of construction and earthmoving equipment, will provide machinery to two Romanian mines. This is one of the first major contracts between a western company and Romania since the December revolution.

The contract, understood to be worth \$50m, will involve Caterpillar supplying 212 machines for coal moving and transportation, as well as preparing roads at the mines and providing technical training and back-up. The machinery is due to come on-stream between October and mid-1991.

The machines, earmarked for the coal mines in Rovinari and Mehadia - one of the key centres of the mining industry - will be paid through a barter system. Caterpillar will produce some equipment locally. Mr Jean Loeschner, Caterpillar's commercial director for eastern Europe, said the company is interested in obtaining goods and services as a means of financing the contract.

Caterpillar began negotiations with Romania as early as January. The authorities are anxious to boost coal production which is down to 15m tons

a year, despite a potential of perhaps twice that. The industry desperately needs new machinery, spare parts and training facilities.

Caterpillar intends to make a long-term commitment to supplying heavy equipment. "We are not in here for the short term. This is only the beginning. We do not expect it to be easy. But it will be worth it given the vast potential of the country," Mr Loeschner said.

Under the former regime of Nicolae Ceausescu, many sectors of the economy were starved of capital investment. Since 1989 the authorities had effectively banned imports and foreign credits as part of a strategy to repay Romania's \$10bn foreign debt at break-neck speed.

But since July, when Mr Petre Roman, the prime minister, announced his new, largely technocratic, government, ministers have been keen to attract foreign investment. Under the terms of recent legislation, foreign investors will be allowed to repatriate hard currency profits after a 30 per cent tax, and will be permitted to hold a 100 per cent stake in companies set up in Romania.

## West wraps up Soviet aluminium foil deal

Kenneth Gooding on business developments in eastern Europe's metals industry

AN example of industrial, banking and international co-operation, the deal for a \$200m aluminium foil plant to be built at Sajonogorsk, in Siberia, takes some beating.

The agreement involves a Soviet consortium which will share 70 per cent of the venture, Reynolds Metals, second-largest of the US aluminium companies, and Fata, the Italian industrial concern, which will each have 15.5 per cent; and the San Paolo Bank of Italy, which will take the rest.

As Mr Bill Bourke, chairman of Reynolds Metals, points out, the Soviet Union brings to the deal cheap metal, cheap power "and a crying need for packaging products".

Fata brings 100 per cent financing by a group of Italian banks led by the San Paolo Bank, and the technology to build and equip the plant.

Reynolds will design the plant and operate it in return for technology and management fees. The Soviet Union will keep about 30 per cent of the foil and the rest will be sold by Reynolds via its European marketing network. Reynolds will need to repay the banks about \$22m a year in hard currency to service the \$150m debt, so Reynolds will take at least enough of the foil to cover this requirement.

He said the Soviet smelter, while not "state of the art", was relatively modern and the quality of the aluminium it produces was good.

All the international aluminium companies agree that east European markets offer great potential for their metal, particularly in building, construction and packaging products.

But they are wary and cautious. Alcan, the Canadian group which produces more aluminium than any other company in the world, has signed a co-operative agreement with a number of companies in the former east Germany covering rolled products and foil. Alcan's German subsidiary will provide technology and the partners will sell Alcan's aluminium building products.

Mr Jacques Bougie, Alcan's president, points out that Alcan has had a good relationship with the eastern bloc industry for 15 years. "We have credibility with that industry. We want to capitalise on that and on our technical abilities."

He sees Alcan playing a similar role as it did in the west in the 1930s and 1940s when it helped to establish the use of aluminium in many markets of the world.

Mr Bougie says that the eastern bloc industry is not intent on scrapping existing capacity and rebuilding it. "They just



want to ensure that the capacity is working as efficiently as possible." Eastern Europe does not have any natural advantages which would make it a low-cost supplier of primary aluminium to western companies, he points out.

"Our interest is to develop new markets for aluminium there. But we are not rushing in. We see it as a natural expansion of our activities in Europe."

At Alcoa (Aluminum Company of America), chairman Mr Paul O'Neill says that his company - the world's biggest aluminium group - has had many approaches for "affiliations or joint ventures" in eastern Europe. He says Alcoa has taken only a brief look at them

- "we are not pursuing any with vigour because we have enough on our plate in other parts of the world at the moment."

Mr O'Neill says: "One of the difficulties is that the data with some of the proposals [on eastern Europe] does not begin to provide the perspective you would need to make a sensible decision. It is difficult to know what the facts really are. For example, I have not seen Btu [British thermal unit] details to compare plants with those in the west."

Consequently, "although I'm interested, I don't feel compelled to race around the world to get ahead of the competition in eastern Europe," says Mr O'Neill.

## Stronger textile rules urged

URGENT action must be taken to strengthen rules against trading abuses in the international textile industry, says the Apparel Knitting and Textile Alliance (AKT), representing the UK textile industry, Alice Rawsthorn writes.

In Fair Trade in Textiles and Clothing - A Battle Still to Be Won - published today, AKT identifies five areas where it says the rules are inadequate:

- the "profoundly disappointing" progress in reducing excessive tariff and non-tariff barriers;
- the "inadequate" proposals to strengthen the rules against dumping; the investigation process should be accelerated;
- the lack of measures to prevent subsidies for exports or investment;
- the absence of an efficient means of preventing theft of designs and brand names;
- the "inadequate" provisions for taking safeguard measures against "damaging import surges".

The MultiFibre Arrangement, the mechanism for regulating global textile trade, expires next year. The AKT urges, instead, its "gradual and progressive" phasing-out. After the MFA expires, AKT expects a "difficult and often painful adjustment" for the UK industry, providing the present Gatt rules are strengthened.

## Japan rejects US proposal for farm trade reforms

By Robert Thomson in Tokyo

THE Japanese government has rejected a US proposal for agricultural trade reforms, and insisted that a ban will remain on rice imports, despite the present trade liberalisation talks under the General Agreement on Tariffs and Trade.

Mr Tomoo Yamamoto, minister for agriculture, forestry and fisheries, said yesterday that the US proposal, which would replace non-tariff barriers with tariffs, "is suitable for a farm products exporter" such as the US, but is unacceptable for Japan.

Mr Yamamoto said Japan would not review its already-published farm trade reform plan, which includes a general cut of 20 per cent in domestic support for farm products over

10 years, though support for rice and other grains would be cut by only 5.4 per cent over seven years from next year.

Japan is under increasing pressure from the US and other farm-produce exporting nations to open its rice market.

For Washington, rice has become more important as a symbol of Japan's general attitude to trade reform than as a potential source of revenue for US farmers.

A Japanese government official said yesterday that the US proposal was surprising because "it is a proposal and not a specific offer."

That perceived lack of "an offer" is seen as a reason for Japan to maintain its ban on imported rice.

## Brazilian airline signs \$2.1bn Boeing order

By Victoria Gribble in São Paulo

VARIG, the Brazilian airline, has signed a \$2.1bn (\$1.1bn) contract to buy 14 aircraft from Boeing, the US aircraft maker. The purchase is Varig's biggest ever.

The contract includes six Boeing 747-300s, with a unit price of \$154m at today's prices, and eight 737-300s which sell for \$26m each. The deal, which gives Varig an option to buy another 12 aircraft, entails repayment over a maximum of 20 years.

Under a contract signed in February, Varig agreed to buy 15 Boeing 737-300s. The latest

deal raises the total value of Varig's purchases from Boeing to \$3.1bn this year.

The first of the 747-300s will arrive in September 1994, and the last deliveries are due at the end of the decade.

Mr Rubel Thomas, Varig's president, said the aircraft will be used to expand the fleet and replace older ones. The company intends operating a new route to Hong Kong by 1992.

The 747-400s, with 406 places, will be used for international flights, while the 737-300s will be used for internal routes.

## Freer services trade 'must be part of Uruguay Round'

By Peter Montagnon, World Trade Editor

THE WORLD'S trading nations must agree to an actual liberalisation of trade in services as part of the Uruguay Round, despite the stipulation that has occurred in this part of the negotiation, the European Community Services Group says.

The private sector lobby group declared in a statement being sent to the European Commission that it viewed with "acute concern" the prospect of an agreement that contained no initial liberalisation concessions.

"Trade ministers meeting in Brussels to wrap up the Round in December should insist that specific commitments on services be negotiated during 1991, so they can come into force alongside the basic agreement on liberalisation in 1992."

"Acceptance of the Services Agreement by governments cannot be defined from the initial amount of liberalisation, as to do so would lose both private-sector support and the benefits of leverage from being part of the overall undertaking

on many fronts which comprises the Uruguay Round," the statement said.

The group, headed by Sir Michael Peilner, deputy chairman of Midland Bank, said it wanted the basic agreement to cover all service sectors, with none being treated on a stand-alone basis.

It should have as its cornerstone the principle of unconditional most-favoured-nation treatment which requires that all foreign providers of services be treated equally without discrimination.

Derogations to this principle might be needed for certain sectors such as air transport and shipping, but they should be "transitional and written into the main agreement, to ensure the basic principles would eventually apply to these sectors too."

All sectors should be covered by the same dispute settlement system. There should not be separate procedures applying to individual sectors, the statement added.

## Germans assess toll road proposal

A US company has offered to build Germany's first private toll motorway, officials said yesterday. Reuters reports from Bonn.

The German government is assessing an offer from Sterin Associates Alexandria to build and operate a 60-mile toll motorway.

The road would run from Dresden in eastern Germany to Goettzen on the Polish border, according to the transport ministry.

Many western Germans, who

have long been used to fast cars and toll-free motorways with no speed limits, have been surprised by plans to modernise the antiquated infrastructure in former East Germany.

These plans include letting private companies build new roads and charge users a toll to use them.

However, a constitutional requirement that the state should run the motorways may prevent a contract going through.

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## AMERICAN NEWS

## House nears approval for Democrat budget package

By Peter Riddell, US Editor, in Washington

THE House of Representatives was last night on the way to approving a Democrat budget package involving a substantial increase in income taxes, especially on the wealthy, as the Bush administration underlined its support for alternative proposals from the Senate finance committee.

Resolving differences between the two plans and producing a package acceptable to the White House is expected to take longer than the deadline of Friday midnight, when the US government runs out of money again.

A further complication is that many Senate Democrats are more sympathetic to the House plan than to the finance committee package, produced by their own leadership with Republican support. However, any rank-and-file Democrat alternative is likely to be defeated and the extent of tax increases will be determined in a House/Senate conference.

The obvious stumbling block is if Democrats push through a plan which increases taxes much more than the Senate committee version, thereby forcing another confrontation and shutdown of government.

President George Bush yesterday continued his campaign trips around the US, arguing that the budget crisis was the result of Congress's failure to act.

A new Washington Post/ABC News poll points to a further drop in Mr Bush's approval rating as president, down to 56 per cent, compared with 75 per cent a month ago, and the lowest level since he took office.

Moreover, 79 per cent of Americans think the country is "pretty seriously on the wrong track," the most negative result found in a leading poll since the oil crisis of the mid-1970s.

Congressman Bill Gray, the House majority whip, yesterday predicted the Democrat plan, which would raise the top marginal income tax rate from 28 to 33 per cent and impose a 10 per cent surtax on millionaires, would pass. He said "those who enjoyed the champagne of the 1980s will be paying their fair share in deficit reduction".

The House rules committee, which determines procedure,

early yesterday ruled out of order a Republican alternative which relies almost entirely on a freeze on spending, as it would reduce the federal deficit by only about \$400bn over five years, rather than the agreed target of \$500bn.

Mr Nicholas Brady, US treasury secretary, made clear the administration's opposition to the House Democrat plan.

He said the president would "probably sign" the Senate finance committee package which, together with an initial House ways and means committee plan, is close to the original bipartisan agreement, defeated 12 days ago.

He added that then "the government will operate in a normal way and the people won't have to look at a government shutdown".

The Senate finance committee version, described by Mr Brady as "fair and equitable", proposes some increases in tax for the better-off as a result of a limit on deductions.

Many Senate Democrats, believing the White House is on the defensive, want to go further and move nearer to the House Democrat version.



Soaring costs: the price of each B-2 Stealth bomber has risen to more than \$200m

## Senate backs \$268bn defence spending bill

THE US Senate has passed a \$268.2bn (213.6bn) 1991 defence spending bill, rebuffing efforts to accelerate US troop withdrawals from Europe and halt production of the B-2 Stealth bomber, writes Lionel Barber in Washington.

Passage of the bill puts the Senate at odds with the House of Representatives, which has approved legislation which cuts more than \$2bn from the Strategic Defence Initiative - "Star Wars" - programme and terminates production of the troubled B-2.

These differences must now be ironed out in conference talks between House and Senate members, before the final version

of the bill is submitted to President George Bush for signature.

Mr Bush has the power to veto, but the Senate bill is likely to be the best deal he can get.

The legislation reflects a near \$16.2bn cut from military appropriations for fiscal 1991, which ended last September 30. Several close votes - both on the B-2 and on US troop reductions in Europe - suggest that sentiment for further defence cuts is growing on Capitol Hill.

Production of the B-2 will have to be scaled back from the 75 aircraft currently sought by the Pentagon, according to Senator Sam Nunn, chairman of the Senate armed

services committee. Taking account of research and development costs and the reduction in planned purchases, the price of each plane has risen to more than \$200m.

A group of US senators plans to introduce an amendment that would give Mr Bush the authority to disburse up to \$700m-worth of Pentagon weapons stocks to Israel.

The plan - modelled on the Second World War "Lend Lease" concept, under which the US provided material support for Britain before entering the war - aims to respond to Israeli threats against Israel, according to its supporters.

## California continues to count cost of quake

By Louise Kehoe in San Francisco

IN San Francisco the most lasting image of the earthquake a year ago today is the Embarcadero Freeway, one of the primary routes into the city from the south, which remains closed.

The two-tiered structure was declared unsafe shortly after the quake and, after much local debate, the city's board of supervisors has decided to tear down the structure, rather than repair it.

Across the bay, in Oakland, the wreckage of the Cypress section of freeway, which collapsed killing 42 people, has been torn down. In its place is a desolate gap amid the low-cost housing.

Before the quake the Embarcadero carried 60,000 cars a day along the city's waterfront to Chinatown, the North Beach restaurant district and Fisherman's Wharf, the city's prime tourist attractions. Traders claim its destruction will permanently damage their businesses.

Yet most of San Francisco's tourist industry appears to have made a good recovery. After dipping 80 per cent in the immediate aftermath of the quake, tourism revenues have recovered significantly, albeit to lower levels than a year ago.

The expensive homes in the Marina district that were destroyed have quickly been rebuilt. Federal funding of \$30m (21.5m) has ensured the repair of the San Francisco-Oakland Bay Bridge and many other damaged structures.

For some, however, the legacy of Loma Prieta, as the earthquake has been officially named, is more severe.

In the cities of Santa Cruz and Watsonville, about 75 miles south of San Francisco and far closer to the epicentre, the evidence of the quake's destructive force is still painfully visible.

Santa Cruz's once bustling shopping area has been left a virtual ghost town, with deep excavation pits where buildings once stood.

Dozens of businesses continue to operate in makeshift marquees erected in the weeks following the quake, but at least 100 retail businesses have folded. The remainder report sales are less than a quarter of those prior to the earthquake.

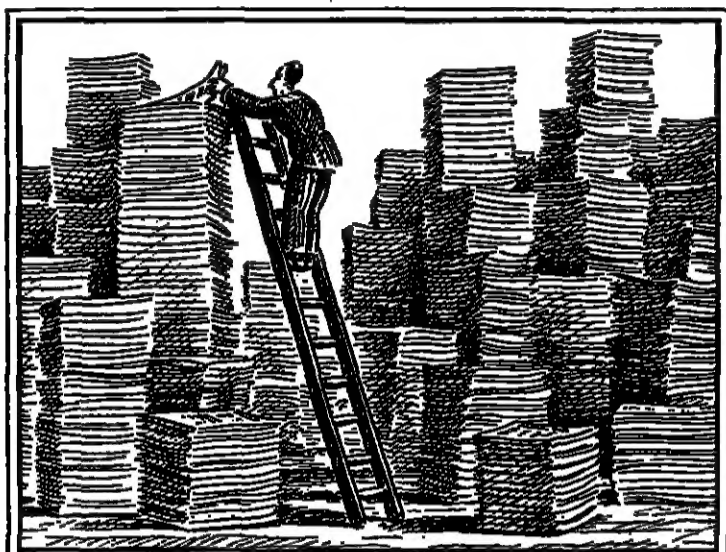
In nearby Watsonville, an Hispanic agricultural town, about 40 low-income families still live in temporary trailers supplied by the Federal Emergency Management Agency. Their low-rent homes were destroyed last October and although many have been repaired or rebuilt, rents have increased and for these families are no longer affordable.

Eventually, according to local officials, the families may be evicted.

There is lasting resentment in Watsonville that the world watched San Francisco's problems but ignored the small town's plight. More than 900 homes in the town were severely damaged or destroyed and the high school was irreparably damaged.

Today, as residents of the San Francisco Bay area remember what happened at 5.04pm a year ago, they will count the costs - 68 dead, more than 3,500 injured, more than 1,000 homes destroyed and almost 400 failed businesses. The vast majority, however, will count their good fortune.

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## Milken's mini-trial plays to a packed courtroom

THE hottest ticket in town is not for a Broadway show. It is a place in the so-called "mini-trial" of Mr Michael Milken, former junk bond king at Drexel Burnham Lambert, the US investment bank which filed for bankruptcy in February.

Every morning, several hours before proceedings start, press and public alike jostle for places in a downtown Manhattan courtroom. Outside, photographers throng the courthouse steps waiting for the man who created and ran Drexel's all-powerful high yield bond department.

This is not just a desire to gloat over a fallen angel. The hearing is being held to help Judge Kimba Wood to gain a better sense of Mr Milken's character.

He has already pleaded guilty to six charges related to breaches of securities law and has agreed to pay \$600m (\$304.5m) in fines and restitution; the judge's job is to devise an appropriate sentence, which could range from community service up to 25 years' imprisonment.

Mr Milken's settlement with the government means there is no question of fresh evidence leading to further personal indictments.

Yet if what the government alleges is correct, the activities of Drexel in the mid-to-late 1980s probably constitute the biggest single scam ever perpetrated in the history of the securities industry.

The question is how much can the government prove and how much can be laid at Mr Milken's door? And how should white collar crime be punished?

Inside the courtroom matters are orderly and generally good-natured. Because of time constraints, the government has selected three items out of a hefty dossier of alleged misdemeanours which it claims Drexel and Mr Milken committed.

## Nikki Tait in New York reports that the junk bond king has kept his cool

One example is the alleged manipulation of the share price of Wickes, a home products company which Drexel won as a client after a struggle. But the government's witnesses have been at best contradictory and, sometimes, downright unhelpful.

Mr Milken's lawyers are certainly serving their client well. The tall, grey-haired and cragily imposing figure of Mr Arthur Liman, who had previously crossed swords with Lieutenant-Colonel Oliver North during congressional hearings on the Iran-Contra affair, brings an air of emotional commitment to every

cross-examination. The thrust of his case is that "Mike Milken, the myth" is being muddled with reality. He pleads the case with a rare degree of professional conviction.

Mr John Carroll, for the government, is a more mundane, if resolutely chirpy figure who plings away at details. But by the end of Monday, even Judge Wood seemed uncertain what two days of government evidence had revealed.

What, she asked, "can I rely on that connects [Mr Milken] to the Boesky Organisation?" And why, she persisted, was it more likely to be Mr Milken who initiated the Wickes trades by Boesky than, say, other members of Drexel?

The government response centred on the broad assertion that "Milken was the only person there who was able to authorise the trades and make good Mr [Ivan] Boesky's losses".

But it went little further than his claims on the opening day. Mr Milken has been quietly entering and leaving the courtroom via a back door, and then sitting pensively with his back to the public benches, writing copious notes and occasionally conferring with Mr Liman.

The former Drexel supervisor has now relaxed a little - occasionally making eye contact with others in the hearing room - but maintaining a fixed jaw and steely demeanour.

## Brazil's state oil group in federal probe

PETROBRAS, Brazil's government-controlled oil concern, is under federal investigation for an operation to purchase \$300m (\$152.2m) of state debt for resale to the central bank at a profit of more than 80 per cent, writes Victoria Gashin in São Paulo.

Mr Luiz Octavio da Motta Veiga, Petrobras president, has confirmed the operation, aimed at reducing the company's deficit, estimated at \$1.2bn at the

end of September.

The move involved the purchase of discounted debt in the secondary market for subsequent resale to the central bank at face value.

Mr Motta Veiga said the operation has been neither completed nor cancelled. However, Mr Ibrahim Eris, central bank president, insisted it had been suspended. The company stood to make a profit of \$245.5m, with some of the gain

coming from currency trading profits.

Government officials said that, although Petrobras' actions were not technically illegal, the company may have compromised national interests. Brazil is in the middle of debt negotiations with foreign banks, who are likely to be unhappy with the commitment of large amounts of foreign currency reserves to such an operation.

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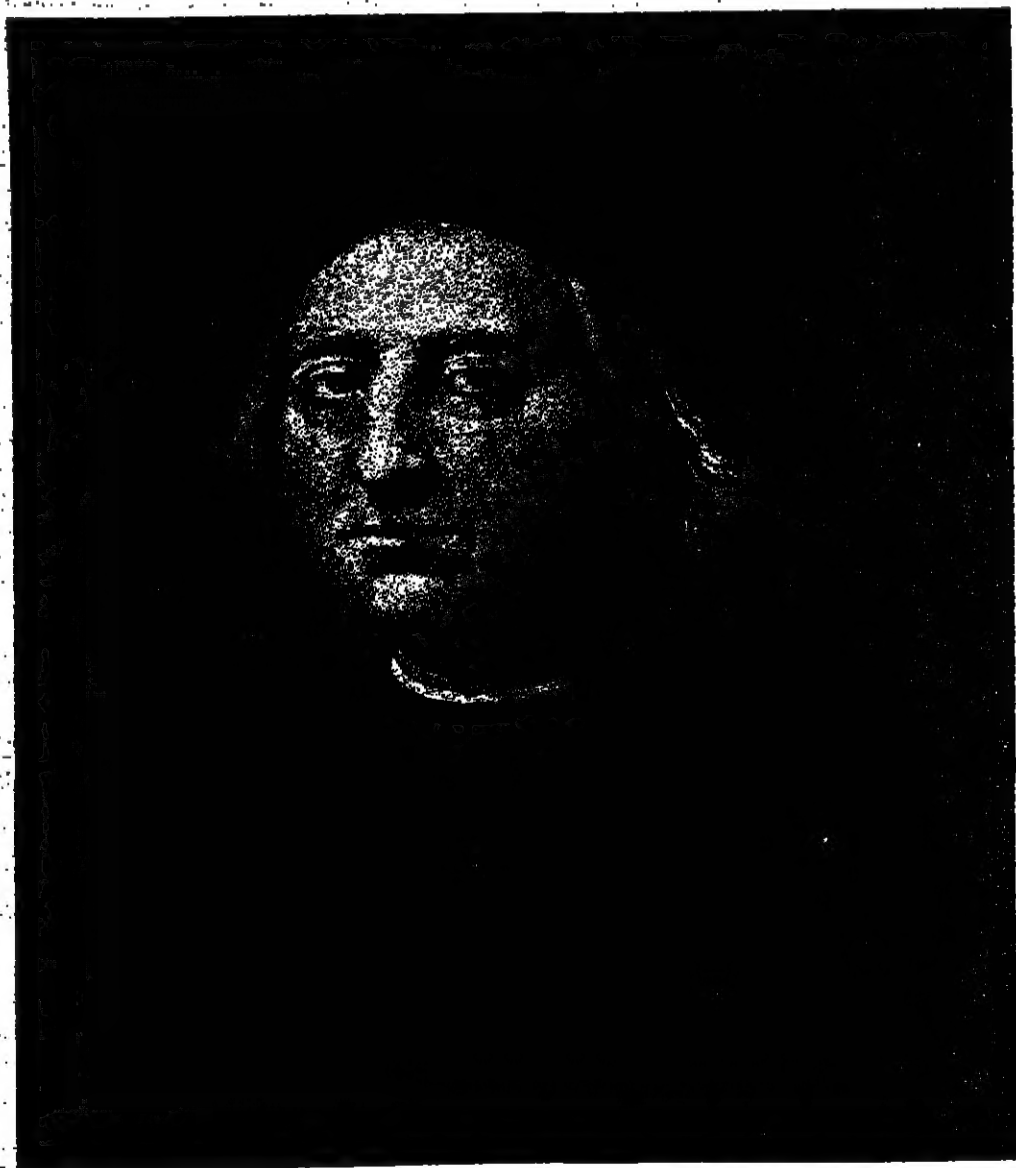
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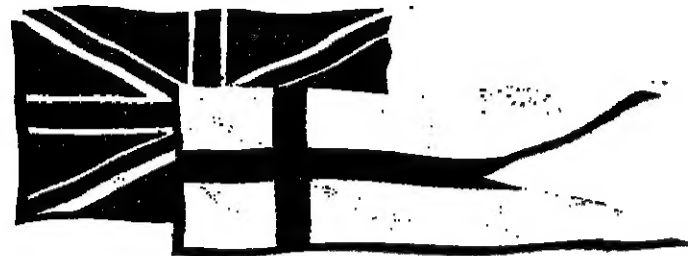


**CAPTAIN COOK  
HAS ACCEPTED THE INVITATION.**

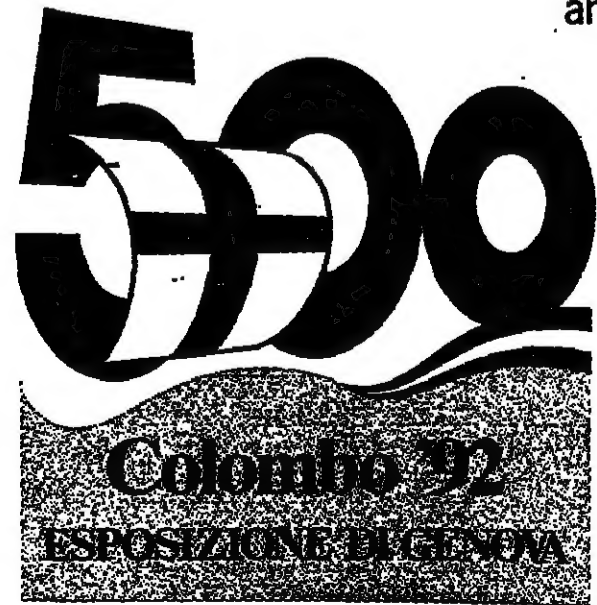


**CHRISTOPHER COLUMBUS  
WILL BE WAITING FOR HIM  
IN GENOA IN 1992.**

GENOA, MAY 15TH - AUGUST 15TH, 1992  
**SPECIALIZED  
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EXHIBITION  
"CHRISTOPHER COLUMBUS:  
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Christopher Columbus, a Genoese, discovered the New World in 1492. At the time it represented a profound expansion of human knowledge. Made possible by a combination of iron will-power and thinking years ahead of its time. Five hundred years later, in 1992, to mark the fifth centenary of his triumph, a Specialized International Exhibition is to be mounted. Entitled "Christopher Columbus: Ships and the Sea". And, appropriately enough, it is to be held in Genoa. As the great maritime civilizations meet to celebrate and illustrate the story of seafaring. And to look forward to the future. Exploring the latest ideas, projects and technology. Among the participating countries is Great Britain. A nation so rich in marine tradition and culture could not possibly afford to miss out. The site for the exhibition will be Genoa's Old Harbour. A recreation of the unique structures of the ancient port. Designed by architect Renzo Piano and developed by the Iri Group Company Italimpianti the project will rebuild the "heart" of the town. Bringing Genoa closer to the roots of its ancient civilisation. In addition the whole complex will serve, after the exhibition, as an important multifunction centre for the town. 1992, therefore, is an important date for all the seafaring nations of the world. One they cannot afford to miss. As they meet on the threshold of the next millennium to forge a new bond between man and sea.



**COLUMBUS 1992:  
THE PROTAGONISTS OF THE SEA MEET IN GENOA.**



## UK NEWS

## CHEMICALS

## ICI and Exxon announce belt-tightening moves

By Ian Rodger in Tokyo and James Buxton, Scottish Correspondent

Imperial Chemicals Group (ICI), the international group, is to cut about £100m from its planned capital expenditure of £1bn next year.

In a similar belt-tightening exercise, Exxon Chemical is to halt work on building a \$350m ethylene plant at Mossburn in Fife, Scotland, because of higher crude oil prices caused by the Gulf crisis.

The announcements fit the general trend of rapidly declining confidence among UK manufacturers and a reluctance to sanction large investment projects shown in recent surveys by the Confederation of British Industry, the UK's employers' organisation.

The move by ICI, is part of what Sir Denis Henderson, the chemical group's chairman, described yesterday as the start of a two-year "belt tightening" period. The company, Britain's largest manufacturer, has told its business operations to cut running costs during the annual budgetary review, which starts next month.

Sir Denis was speaking in Japan after opening a \$50m plant to make plastic film, which he described as the largest single investment there to date by a British company.

The cuts in capital expenditure were to give ICI "room for manoeuvre if we see an acquisition that would help us change shape." The £100m would not be made by making emergency cuts and no decisions had yet been made about which projects would be affected. About half ICI's £1bn investment programme is spent in Britain.

The Exxon project is expected to be delayed by about two years. It was due to come on-stream in the first half of 1993, with work on site starting next year.

The postponement is a blow to the economy of Fife where unemployment is 9.5 per cent. The plant would have created 1,500 construction jobs, 70 permanent jobs and 230 spin-off jobs. Exxon Chemical said that it had reviewed the economic outlook and now expected slower growth in chemicals, especially with the possibility of higher crude prices continuing. The chemical industry, it believed, would have spare steam cracking and derivative capacity until the mid-1990s.

"Higher crude prices have deepened the recession and they have led to a dip in demand," Exxon said.

Mr John Holloway, chief executive of Exxon Chemical in the UK, said the project would be kept under constant review "to determine the optimum time for resumption. We are still confident we will go ahead with the project." It would provide new capacity at the lowest cost possible.

Further development efforts will be suspended and personnel reassigned. Engineering design work done so far will be retained for later use.

The project is intended to increase ethylene capacity at Mossburn by 40 per cent to 300,000 tonnes, making it one of the world's largest ethylene plants. Mossburn, opened in 1986, is operated by Exxon in partnership with Shell Chemicals, which would use half of the capacity of the new plant. The plant would use ethane gas piped from the North Sea. Exxon would transport its output to polyethylene plants at Antwerp, Belgium, and Shell, to Stanlow and Carrington in north-west England.

## Truck sales fall 40% as recession hits market

By John Griffiths

UK TRUCK sales in September experienced one of the biggest monthly falls on record, a fall of just under 40 per cent against the same period last year.

The drop marked a further worsening of what is now a year-long recession in the truck market, which is widely regarded as a barometer of activity in the economy.

The downturn, however, is increasingly being felt in other sectors of the commercial vehicle market, indicating that a wide variety of small traders are being hit by high interest rates and falling demand for their services.

Statistics from the Society of Motor Manufacturers and Traders show that sales of medium vans such as the Ford Transit were down last month by more than a third, on a year-on-year basis. Sales of light vans - such as those based on Ford Escorts or Rover Maestros - were down by just under 30 per cent.

Leading truck industry executives say that the 1 per cent point cut in base rates announced by Mr John Major, the Chancellor, earlier this month will not of itself stimulate renewed confidence.

They say it will require further cuts of at least two percentage points to generate significant numbers of new orders.

Unlike cars, more than a third of which are bought by private motorists, vans and trucks are bought mostly for commercial reasons and are replaced only when considered necessary. As such, they provide a valued indicator of commercial and industrial prospects for the UK.

The steepness of the drop in truck sales caught even some of the main industry participants by surprise.

Mr Ian Jones, marketing director of Leyland DAF, the UK heavy truck market leader, nevertheless said that the decline may now have bottomed out. "The market started to fall away in October of last year, so from this month on, the decline should not appear so sharp and there should be a slow recovery".

## Invisible exports bring in a tidy profit

By Peter Marsh, Economics Staff

BALLET TOURS, fees for sitting music exams and British orchestras playing abroad are earning Britain up to £2m a year in exports that no one is recording, the British Invisible Exports Council (BIEC) said yesterday.

The council, which represents export-oriented service companies, believes it has uncovered a gap in government statistics on arts activities that could reduce Britain's current account deficit which last year reached £19m.

Service industries last year had a surplus on overseas trade of £76m. That helped to offset Britain's deficit in visible trade - mainly manufactured goods - of £24m.

The legal and accountancy professions, banking and finance and the tourism trade are among the service businesses whose overseas revenues are included in the government's official accounts.

But according to the council, government statisticians have neglected to account for large slices of arts-related activities which earn foreign revenues.

They include overseas concerts by UK orchestras, royalties on plays and TV programmes and sales of paintings to foreigners.

Mr Richard Mason, BIEC's executive director, said yesterday that total foreign earnings from all UK arts-based activities probably added up to about £4m a year.

Of this total, roughly half



Music business: the overseas earnings of UK orchestras could cut the trade deficit.

was accounted for in the accounts as currently constituted - for example under general royalty earnings - and the other half missed altogether.

The council has commissioned the Economists Advi-

sory Group, a consulting company, to check on all relevant artistic endeavours and produce a report by the end of the year.

The report will be sent to the Central Statistical Office, the government body which com-

piles trade statistics. It will form part of the office's internal review of balance of payments data. The office started this in the summer after worries that the UK might be failing to record full details of all imports and exports.

## Factory output continues slide

By Rachel Johnson, Economics Staff

THE UK economy is slipping further towards recession according to official figures yesterday showing a drop in Britain's factory output for the third successive month and a marked weakening in the government's finances.

The Central Statistical Office announced that manufacturing output fell by 1 per cent in August, a much bigger decline than the 0.3 per cent expected in the City.

Further evidence of recessionary conditions came with news of one of the biggest monthly falls on record in UK truck sales - down last month by just under 40 per cent compared with a year earlier, and an announcement by ICI that it was to cut capital spending by 10 per cent.

Other official figures showed that weakness in economic

activity had created revenue shortfalls and put pressure on the government to increase its borrowings.

Over the three months to August, manufacturing output was 1 per cent lower than in the previous three months, adding to evidence that the sharp economic slowdown began in earnest at the start of the summer.

The CSO said that the underlying trend for manufacturing output was "flat". Over the three months to August, output was 0.7 per cent higher than in the same three months last year.

This stagnation of growth appeared to justify a cut in interest rates, some analysts said. They expected economic growth to decline in third and fourth quarters - and that the UK would experience a recession according to the American definition of two consecutive quarters of negative growth.

The worst-hit market sectors were minerals, engineering, textiles, clothing and footwear, and mechanical and electrical engineering. The chemicals sector - which invested and produced heavily between 1987 and 1989 - showed a sharp fall of 2.5 per cent in output between the two three-month periods.

The investment goods industries also fell by 2.5 per cent. The August index of industrial production is a provisional 109.0 (1985=100), after a revised 109.6 in July.

Total industrial production, which includes the energy sector, fell by 1 per cent in the three months to August compared with the previous three months.

## Power company to move into gas market

By David Thomas, Resources Editor

PLANS FOR a large increase in the use of natural gas in electricity generation were unveiled yesterday by National Power, the largest UK electricity company.

The company is proposing to build two gas-fired power stations at a cost of more than £1bn and to join new gas exploration ventures in the North Sea.

National Power, which is due to be privatised in February, views its plans as part of a strategy to reduce dependence on supplies from British Coal.

It believes that it might account for a tenth of UK gas consumption by the end of the century, with the electricity industry as a whole burning a quarter of all UK gas supplies.

The industry uses almost no gas to produce power at present, but the prospects for its use have been transformed by a relatively new technology using combined cycle gas turbines.

Mr Colin Webster, National Power's commercial director, announcing the new strategy yesterday, said: "Combined cycle gas turbine plants will be the new plants of choice for environmental and economic reasons for the foreseeable future."

The company is to apply for planning permission for two gas-fired plants at existing power station sites at Staythorpe, Nottinghamshire and Didcot, Oxfordshire. Each will be up to 1,500MW

in size, cost about £500m and will enter service in the second half of 1994.

It has also joined as a minority partner three consortia bidding for gas exploration permits in the 12th round of North Sea licence applications.

Mr Webster said participation in gas production - a new venture for the UK electricity industry - would help National Power to gain security over its supplies.

He added that National Power might for the same reason take a stake in foreign coal producing ventures, with the US, Australia, Venezuela, Colombia and Indonesia the most likely targets.

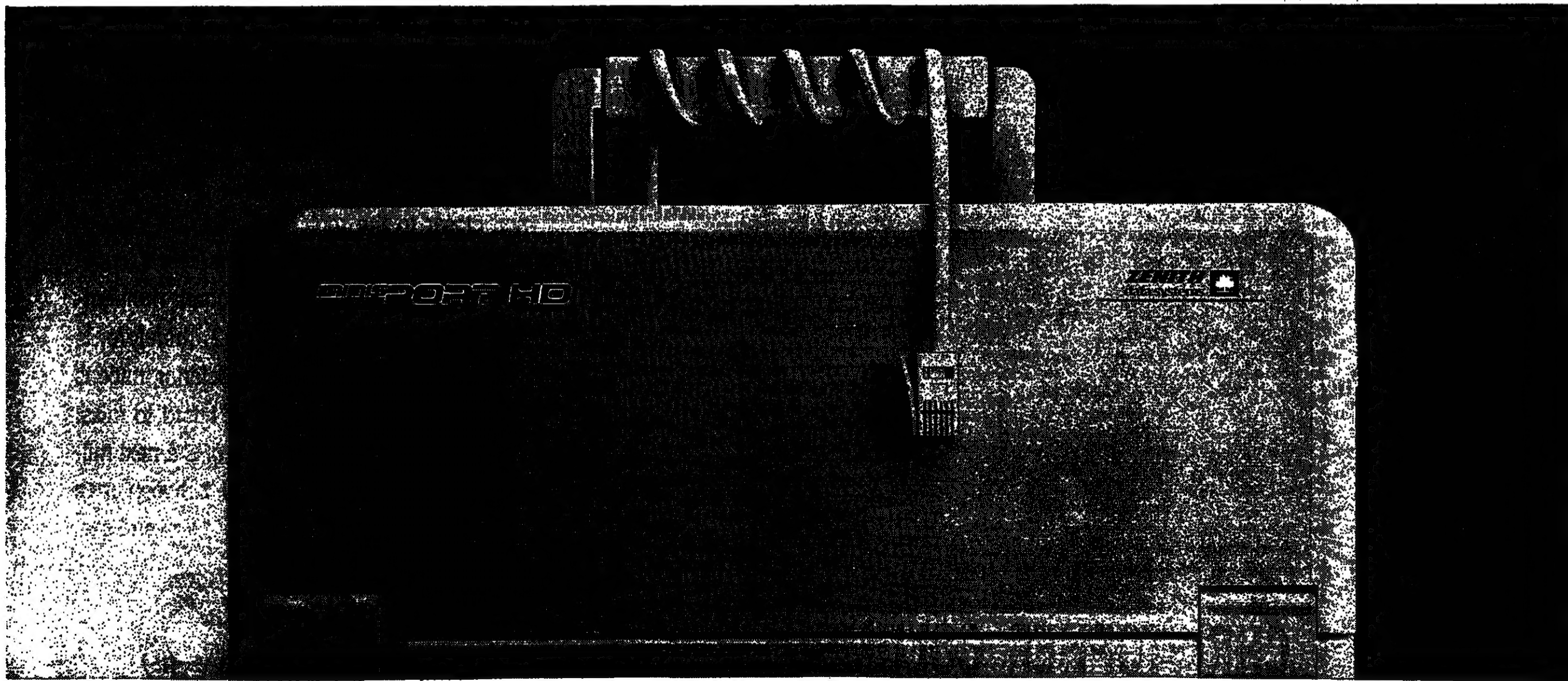
National Power is also planning to add gas-turbines to

existing coal or oil stations to increase their efficiency and output. The addition of a 150MW gas-turbine to a 500MW conventional unit would cost about £50m.

The company is studying whether to add gas-turbines to its coal-fired stations at Eggborough, Yorkshire and Fawley, near Southampton. Each station has four 500MW units.

National Power said a combined cycle gas station would use 27 per cent less fuel, produce 56 per cent less carbon dioxide (the main greenhouse gas) and almost 100 per cent less sulphur dioxide (the main cause of acid rain) than an equivalent coal-fired station. Capital Markets, Page 33.

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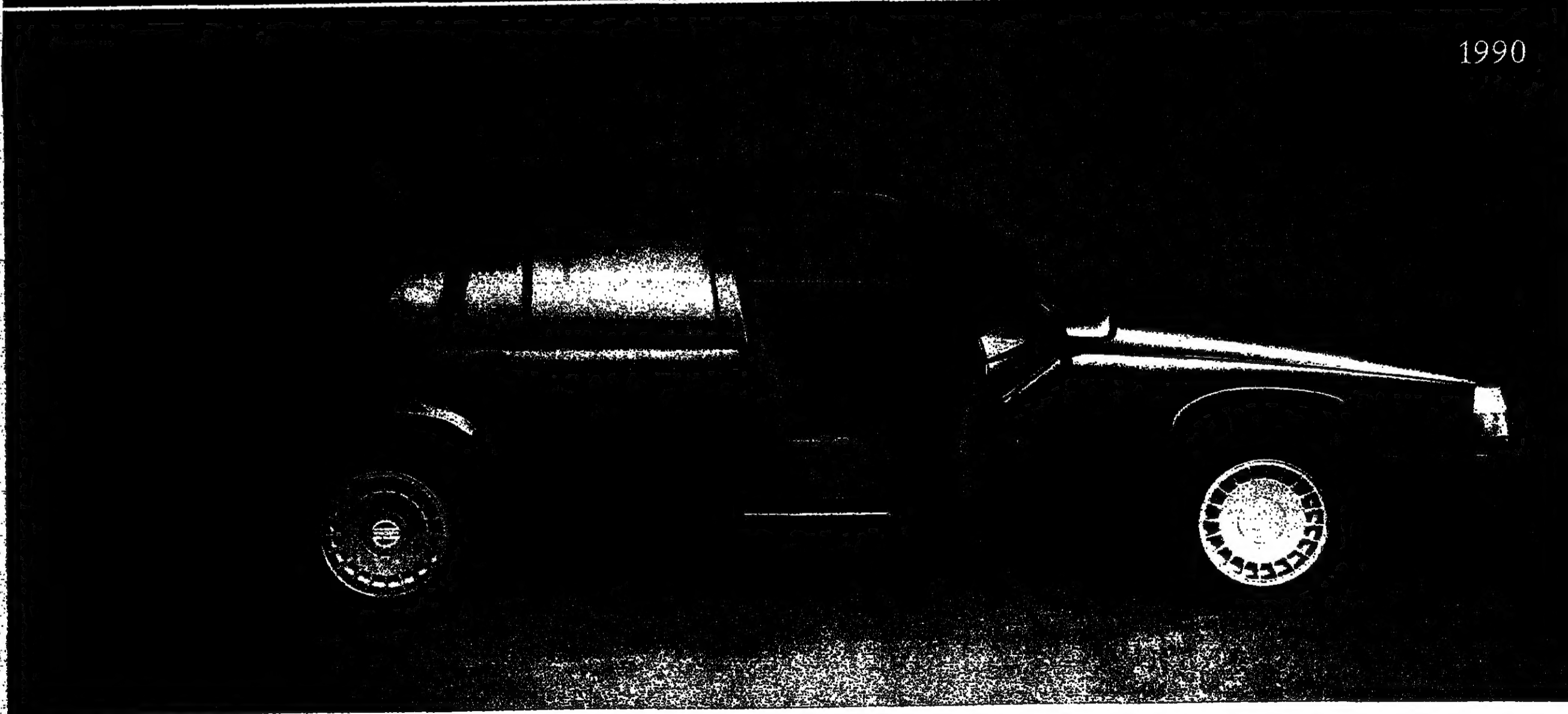
1966



1977



1990



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The car was an open tourer, made of sheet metal, fastened on to a wooden frame.

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Who else but Volvo offers you an integrated child's seat that folds out of sight when not in use?

Who else would fit an environment warning light to monitor the car's exhaust cleaning function?

Who else gives the centre passenger in the rear seat a proper inertia-reel seat belt?

These are just a few of the features that make the Volvo 940 a worthy successor to the 1927 car.

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The 940 is available as a saloon or estate car with a choice of manual or automatic transmission.

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## UK NEWS

# Bank questions likelihood of exchange cartel

By Stephen Fidler, Euromarkets Correspondent

THE Bank of England yesterday expressed doubts that any attempt by banks to form a cartel in the foreign exchange market could succeed and suggested any attempt to establish one would merely drive currency business elsewhere.

The Bank's comments followed the launching of an investigation into an informal agreement among London-based banks over the trading of sterling in the foreign exchange market by the UK's Office of Fair Trading.

The investigation will aim to discover whether an informal accord, covering the spread between buyer and seller rates in foreign exchange trading among banks, is anti-competitive under the Restrictive Trade Practices Act.

The agreement late last month by some of the largest traders in foreign exchange in the London market led them to widen spreads between buyer rates and seller rates for sizeable interbank trades in sterling against the dollar and the D-Mark.

## NatWest to use Coutts bank name

By David Lascelles, Banking Editor

NATIONAL Westminster Bank aims to expand its international private banking business using the name of Coutts, its UK private banking arm, as its spearhead.

At the moment, NatWest provides banking services through Coutts in the UK, NatWest International Trust Corporation in Nassau and Handelsbank NatWest in Zurich.

The bank will now create a new Coutts holding company which will own Coutts & Co, and a Swiss holding company for the non-UK private banking operations which will be given new names to identify them more closely with Coutts.

Coutts, one of the most exclusive banking names in the UK, became affiliated with the NatWest group in 1920.

The operation of any cartel, however, would be a legitimate subject of an investigation by the OFT. Bankers yesterday said they did not see the agreement as a cartel since banks were free to set what spreads they liked, and there were no entry qualifications.

The study concludes that the West German dual system, combining practical, on-the-job training in companies with theoretical instruction in vocational schools, is "undoubtedly the most impressive organisation of training young people, and is responsible for producing one of the most flexible and adaptable workforces in the world."

The opposition Labour Party is to create a task force to learn from France's success in encouraging teenagers to go into further education.

Mr Jack Straw, the party's education spokesman, said after meeting Mr Lionel Joseph, French education minister, he was greatly impressed by "the strength of purpose and sheer will" which France showed in raising standards.

He gave the example of Sony, whose president, Mr Norio Ohga, has argued that his company now expects products from different corporations to be comparable on price, performance and features. Sony believes design is the only thing that differentiates one product from another.

Mr Arnold Wasserman, vice president of corporate industrial design and human factors at Unisys Corporation, told delegates that increasingly design and design alone differentiates one product from another.

Mr Wasserman argued that this had long been recognised by the Japanese.

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# Employers demand European training standards

By Fiona Thompson

THE UK should copy France and Germany and lay down clear pathways for the education and training of 16-19 year olds, according to a survey of employers in the Thames Valley west of London.

The French and German systems are clearcut, with qualifications tiered so that success at one level is an automatic key to entry at the next level. The UK "completely lacks any systematic series of pathways", the study says.

The Thames-Valley Chamber of Commerce and Industry approached 600 local companies to determine what they wanted from the education system: 57 per cent responded.

To put the UK response in context, partner chambers in Augsburg in Bavaria and Nantes in Pays de la Loire, also participated.

The study concludes that the West German dual system, combining practical, on-the-job training in companies with theoretical instruction in vocational schools, is "undoubtedly the most impressive organisation of training young people, and is responsible for producing one of the most flexible and adaptable workforces in the world."

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# Air Europe chairman denies interest in Dan-Air

By Paul Betts, Aerospace Correspondent

MR HARRY Goodman, the chairman of International Leisure Group (ILG), said yesterday he was not interested in acquiring Dan-Air, the UK airline owned by Davies & Newman Holdings, nor selling his own airline, Air Europe.

"If I was offered Dan-Air for a pound, I would not buy it now nor in the future," he said in an interview. He added that after making this public statement, the stock market regulators would not allow him to bid for Davies & Newman Holdings.

Mr Goodman said his group had shown an interest in Dan-Air "some time ago" but had decided well before the Gulf crisis erupted this summer not to pursue a possible bid.

Mr Goodman was seeking to dispel suggestions that he was trying to undermine Dan-Air to damage a competitor and said he was not attempting to drive it down to buy it eventually cheaply.

ILG's decision last week not to go ahead with the leasing of Dan-Air aircraft for some of its



High Flier: Goodman (above) wants to protect Air Europe from industry risks

tour business next summer caused a sharp fall in Davies & Newman shares. But Mr Goodman defended the decision yesterday because he felt Dan-Air could become vulnerable as a result of its fleet of older less fuel efficient aircraft in the current climate of soaring jet fuel prices.

The collapse of Paramount

Airlines last year had cost ILG which had leased aircraft from Paramount about £4.2m, he explained.

The uncertainties surrounding Dan-Air had also prompted ILG to give notice it was withdrawing Air Europe engineering business from Dan-Air unless Davies & Newman could provide financial guarantees to



High Flier: Goodman (above) wants to protect Air Europe from industry risks

ensure the safe return of any Air Europe aircraft undergoing engineering work.

Davies & Newman recently announced it was putting its aircraft maintenance and engineering business up for sale.

Although there has also been long running speculation over the future of his airline, Mr Goodman said "Air Europe is

not for sale."

He said the present difficult economic outlook would delay plans to float the company on the stock market.

Boeing, the US aircraft manufacturer, should know by the end of the year whether British Airways will become the first UK customer for its new 777 twin jet aircraft.

Boeing announced on Monday it was going ahead with production of the 300-300 passenger aircraft after US carrier United Airlines ordered 68 of them in a \$11.16bn deal.

The Boeing 777, which will go into service in 1995, is one of three planes BA is considering as a replacement for its TriStars and DC10s.

The other possibilities for BA are the European Airbus A350 and the MD-11 of America's McDonnell Douglas.

The airline said a decision could be expected by the end of the year. The 777 project gives Rolls-Royce, the US engine manufacturer, the opportunity to seek contracts with Boeing for its new Trent engines.

# Design hailed as secret weapon for business success

By Paul Abraham

DESIGN is the most potentially powerful, most under-utilised resource for strategy business competitiveness, a Financial Times conference on Product Strategies was told yesterday.

Mr Arnold Wasserman, vice president of corporate industrial design and human factors at Unisys Corporation, told delegates that increasingly design and design alone differentiates one product from another.

Mr Wasserman argued that this had long been recognised by the Japanese.

He gave the example of Sony, whose president, Mr Norio Ohga, has argued that his company now expects products from different corporations to be comparable on price, performance and features. Sony believes design is the only thing that differentiates one product from another.

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## FT CONFERENCE

### PRODUCT DESIGN STRATEGIES

at the tail end.

Mr Moggridge said that five forces were driving design to centre stage. These are decentralisation, global markets, international competition, more complex products and

systems which require improved and easy to use design, and accelerating development cycles.

Mr Tony Roberts, marketing and sales director for PA Consulting Services, said that winning in the 1990s will be about getting clever with the product. He explained that during the 1980s many UK manufacturing companies learned how to be clever at production and design, but had neglected design.

A recent PA survey discovered that only 16 per cent of companies saw their competitive advantage came from applying research and development to their product, compared with 36 per cent who saw it coming from manufacturing processes. This was in contrast with findings in Japan and West Germany where concentration on the product was 40 per cent and 30 per cent respectively.

Ms Elaine Kaufman, a business manager at Texas Instruments, explained how her company had set about revamping its educational products, using design as a key element in the process.

The company discovered through market research that parents were concerned that their child would not become bored with a product because it was too easy or difficult.

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## BRITAIN IN BRIEF

### Tebbit under siege at LSE

Protesters laid siege to a meeting at the London School of Economics in which former Conservative Party chairman Mr Norman Tebbit insisted he was right to say some immigrants to Britain would "fail the cricket test."

The protesters gathered outside the building's main entrance before the meeting, in which Mr Tebbit called for South Africa to be readmitted to the international community.

The former Trade and Industry Secretary insisted he stood by his "cricket match" test which would determine the national loyalties of a non-white citizen by whether he would cheer England in a cricket match.

Mr Tebbit said: "If you want to carry a British passport, if you want to be a British citizen, you have to be the whole of one and not half of one. It's as simple and as clear as that."

The figures were released by the industry body, Food from Britain, which promotes exports. The 16 per cent increase in imports between January and June was split fairly equally among the seven Target Countries. The greatest was a £149m increase in imports from France.

Mr Roy Edleston, director of FFB's European operations, said that Britain's presence in Europe was "virtually negligible". He blamed the British food industry saying that it "didn't try hard enough" and didn't have "the will to succeed in Europe".

Exports to Germany and Holland were down by £58m, due mainly to less exports in the dairy and cereals sectors. Exports to France went up despite the important meat sector falling by 2 per cent.

Complaints hot line urged

The new Press Complaints Commission should operate a "hot line" for readers who

Trade gap in food and drink

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## Humber plan needs finance

A £1.24bn electricity-generating barrage across the River Humber was said to be technically feasible, but plans will be shelved unless more money can be found for further research.

A preliminary study has found no overwhelming technical obstacle to the scheme, which would use the Humber's 6.4-metre tidal range to produce 1.94 terawatt hours of electricity a year - equivalent to 1/4 a per cent of national generating capacity - from 90 turbines set in the barrage.

Costs so far of £75,000 in cash and about £200,000 in kind or management time have been met by nine sponsors, including leading British construction and heavy engineering companies, banking and accountancy interests.

Top Treasury women

The Treasury demonstrated that it is an equal opportunity employer with the announcement of promotions for two of its senior women officials.

Mrs Rachel Lomax has been named as successor to Mr John Odling-Smee as deputy chief economic adviser to the Treasury, while Mrs Rosalind Gilmore, will take over the chair of the Building Societies Commission and become Chief Registrar of Friendly Societies next April. Both women will become "grade two" in the Treasury hierarchy, with annual salaries currently fixed at £28,420 and will be the most senior female officials in the Treasury.

Doubts over pesticides

A national policy should be launched to monitor the use of pesticides in food and drink, according to the British Medical Association.

A BMA report expressed serious doubts about reassurances that pesticides are not harmful to humans. The British Agrochemicals Association, representing industry interests, said the BMA report contained too many factual errors to be acceptable.

But the report was welcomed by the Pesticides Trust, a charity concerned with the environmental effects of pesticides.

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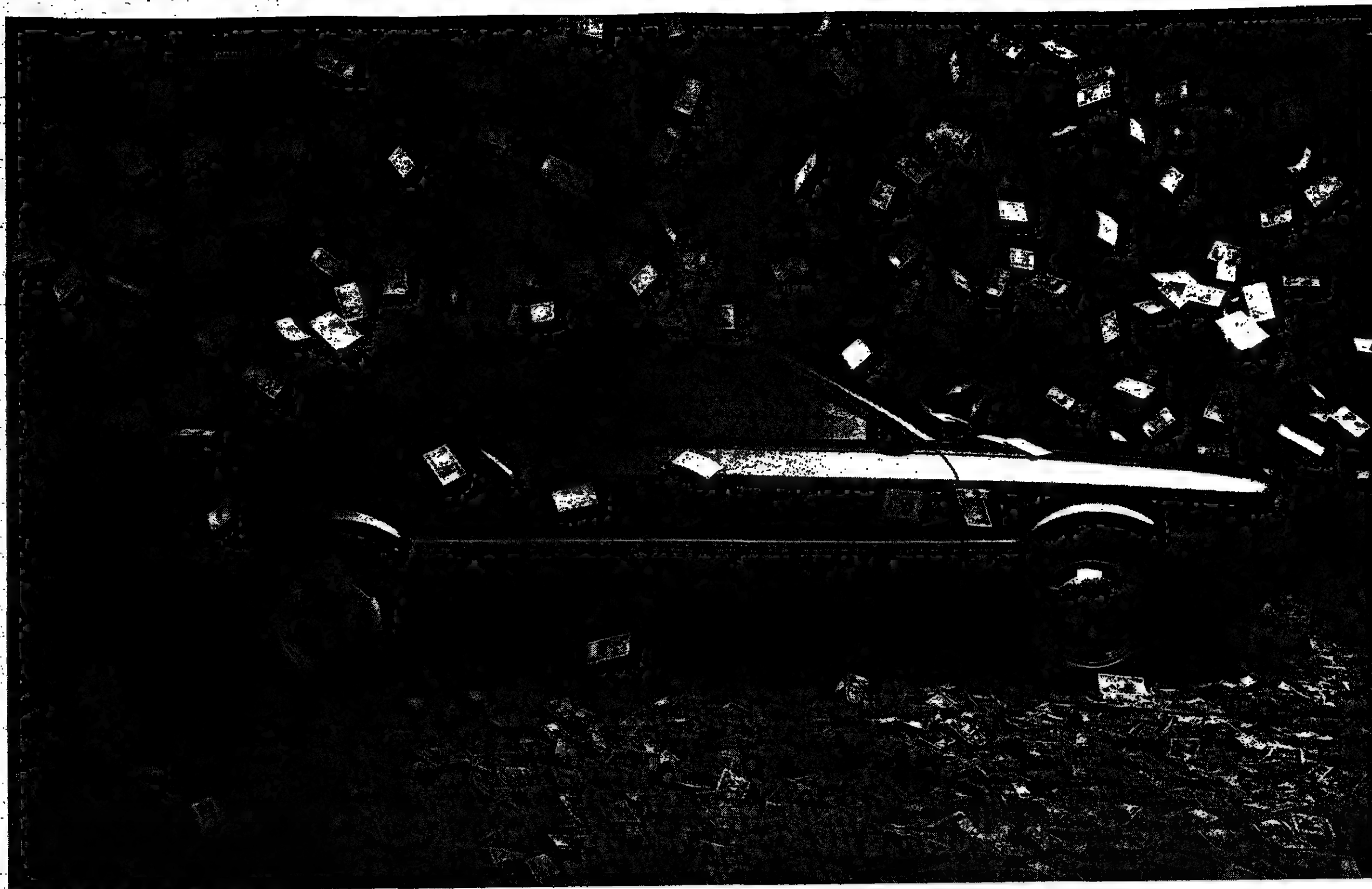
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that benefits from our  
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VORSPRUNG DURCH TECHNIK. FL/17/10/90



# Kevlar\*, Nomex\* and Tyvek\* : Three lifesavers from Du Pont.

When Captain Brown and his men go into action, they have to be quick but cautious. Their task is to protect people and the environment, in particular against dangerous toxic substances, contaminated dust and similar hazards. Protective clothing can be a matter of life or death, in this job as well as in many others. For example, in bullet-resistant vests, or flame- or chemical-resistant overalls, KEVLAR and NOMEX III fibres and TYVEK spunbonded olefin play a vital role. **Tyvek also guards against invisible hazards.**

Protective clothing of TYVEK is used wherever people come into contact with toxic substances or aggressive chemicals. TYVEK is a non-woven fabric that acts as a barrier. Not even minute pollutant particles or bacteria measuring no more than half a thousandth of a millimetre can penetrate this highly dense material. Garments made from TYVEK not only keep out asbestos dust and other dangerous particles, but also provide effective protection against chemicals during crop spraying. In cleanrooms, protective clothing of TYVEK prevents particles given off by the skin from contaminating work areas, where even the smallest amount of dust would be a problem in micro-chip production, for instance.



Cleanroom protective clothing made from TYVEK (Photo: Hoffmann-La Roche Inc.)

## Very light and exceptionally tear-resistant.

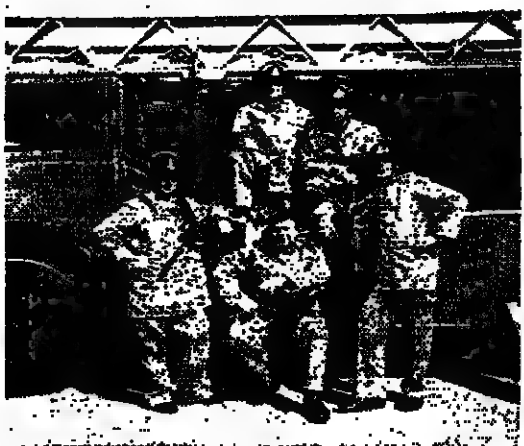
TYVEK is a spunbonded olefin material produced by a unique process from millions of ultra-fine polyethylene fibres. The result is a lightweight material that combines the finest properties of film, fabric and paper. It is waterproof, has high tensile strength, is tear-resistant and unaffected by a large number of chemicals. No other material is so impenetrable, so strong, so light, yet breathable.



Coated versions of TYVEK are available to suit requirements in terms of barrier performance for specific toxic chemicals. Contact Du Pont for details from our permeation guide data book.

## Nomex III - The fibre for fire-risk applications.

Whenever fire and heat are involved, time is of the essence. A protective garment of NOMEX III can provide protection against fire for a critical period. NOMEX III is a blend of NOMEX meta-



Fire-risk protective overalls made from NOMEX III.

aramid and KEVLAR para-aramid. The inclusion of KEVLAR prevents the material from breaking open when exposed to flame, and thus the skin is protected longer from the effects of heat. This invaluable feature makes NOMEX III superior to other heat- and flame-resistant materials. NOMEX III has another major advantage: its flame resistance is retained permanently, unaffected by either frequent washing or wear. And since the material made from this fibre is as much as 40% lighter than flameproof cotton for the same protective performance, garments made with NOMEX III are also more comfortable to wear.

To check the degree of protection afforded as accurately as possible, a special test manikin was developed by Du Pont. Known as the "Thermo-Man", it is 1.85 metres tall and has 122 sensors distributed over its entire surface to register temperature, quantifying pain thresholds and the critical point when burns first occur.

Public authorities and organisations are relying increasingly on clothing made from NOMEX III. In the U.K. the majority of professional firemen are equipped with NOMEX III. So are an increasing number in Germany. In Italy, all 25,000 members of the national fire service are equipped with protective garments made from NOMEX III. And many military aircraft pilots and car racing drivers wear overalls made from NOMEX III.

## Kevlar - A milestone in fibre technology.

When KEVLAR was developed by Du Pont, it set entirely new standards in fibre technology. Never before had a fibre been so light and yet so strong, as

well as corrosion-proof, heat-resistant, self-extinguishing, non-magnetic and electrically non-conductive. And it retains its useful properties from -40°C to +180°C.



A policeman's protective vest made with KEVLAR.

Du Pont has now developed its second generation KEVLAR, the "Hx" Series, with properties even more outstanding. KEVLAR is used, for instance, to make bullet- and fragment-resistant vests for police and armed forces, and cut-resistant jackets for fencers as well as industrial workers.

## Innovative technology means progress.

KEVLAR, NOMEX and TYVEK are produced by the Engineering Fiber Systems division of Du Pont, which also developed TEFLON\*, TYPAR\*, CORDURA\* and high-strength Nylon. From house and home to air and space, these products have opened up new perspectives in countless areas. Du Pont is one of the world's leading research-oriented companies, with 39 production plants and laboratories in Europe alone.

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**Du Pont Engineering Fiber Systems.  
Develop with us.**

\*Du Pont's registered trademark.

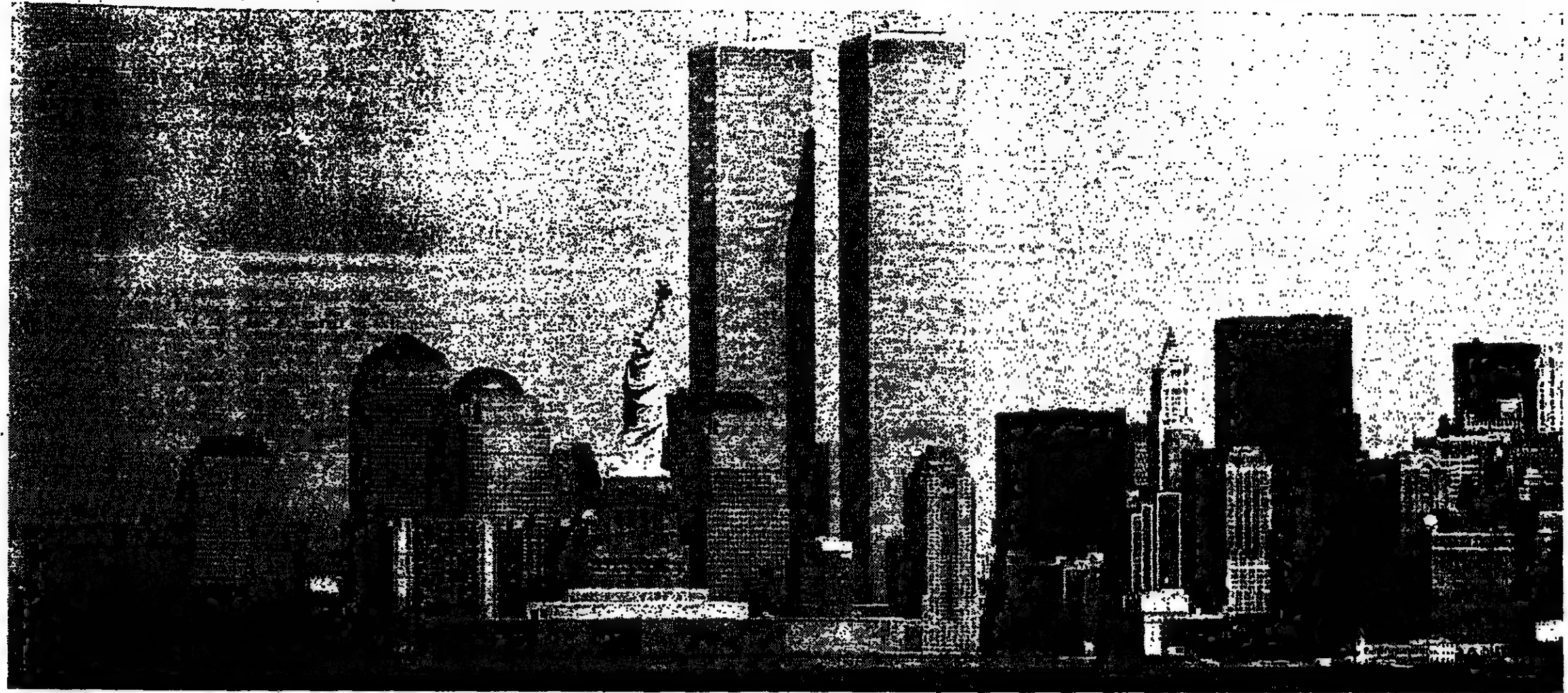




FINANCIAL TIMES SURVEY

NORTH AMERICAN BUSINESS TRAVEL

Wednesday October 17 1990



Statue of Liberty with the World Trade Centre in the background. A business trip to the land of opportunity will be more fruitful if you know where to stay, what to pay and when to entertain

**The prospect of your first business trip to North America can seem daunting - even later journeys may be anxious. Roderick Oram introduces this guide to travel, hotels, car hire and business centres, which aims to give you the confidence of a seasoned visitor**

Directions for your journey

WITH EASTERN Europe and the Soviet Union lurching headlong into drastic economic reforms, many foreign businessmen are falling over themselves to be first into these markets. Enticed by poten-

tially huge long-term prospects, they consider it the main game in the world. It may that foreign investment and purchases of imported goods will pay out as impressively as hoped. More likely, though, the eastern bloc will develop, like other hot markets before it, into a source of some good business laced heavily with setbacks and frustrations. Through all such vicissitudes of global trade, one mammoth market - North America - will continue to cruise along. Yes, a looming recession is dampening demand; but it will be some years yet before a unified European market, the most promising contender, matches North America's sheer wealth and accessibility. "I still see lots of interest," says Mr Martin Arnold, a Swiss freight forwarder whose clients export extensively to the US and Canada. He was speaking during a recent tour of his US contacts, a trip he has made at least once a year for the past 12 years, a pattern typical of old US hands among foreign businessmen. Some 40 per cent of visiting businessmen have been to the US 11 or more times, according to a recent US government survey. This guide is aimed not at such people, who have favourably restaurants in every major city across the country or think they know a shortcut back to the car rental lot at Chicago's O'Hare airport. It is meant mostly for those begin-

ning their North American business adventures. Plenty more advice is available along the way. "If you speak the language and are fairly easy-going, people will be friendly and helpful," observes Mr Arnold. "Many of them are more than just customers and clients. They have become good friends." Last year, some 7.5m business people visited the US. Some 44 per cent of them were men, with an average age of 41; only 14 per cent were women, with an average age of 36. The other 2 per cent were children and the US government assumed they were along for the ride with their working parents rather than violators of the stern US child labour laws. Generally, business travellers stay for a shorter period, spend more money but visit fewer places than holidaymakers. Some 40 per cent of those surveyed by the US government were in the US for one to seven nights and another 40 per cent between eight and 14 nights. They spent about 50 per cent more than pure tourists but typically confined themselves to large cities. Half of them visited only one state per trip.

**Not only is business travel convenient, it is also cheap**

Whether lining up appointments or making travel arrangements, there is a wealth of information sources, ranging from local chambers of commerce, industry associations, foreign offices of state development agencies and US commercial attaches abroad to countless business and import agents. No other economy in the world is so well researched and documented. Sources of travel information are equally abundant, thanks to ubiquitous use of computers in the travel industry. US airlines led the development of these systems and still domi-

nate them. European airlines are taking a much more active role through, for example, the new Galileo system. Competent travel agents abroad can tap into their computer terminals to scan the availability and prices of flights, hotels and rental cars from competing suppliers in the US and then book the best deal. In fact, 63 per cent of business visitors to the US booked their trips through their local travel agents and 21 per cent through their employers' in-house travel arrangers. The rest contacted airlines, hotels and car rental companies direct. Even better is to use a travel agent with a US presence. In the past, this meant large global chains such as Thomas Cook and American Express. But increasingly, leading national chains such as Hogg Robinson in the UK and Hapag-Lloyd in Germany are forging links with big travel agencies in the US. Those ties can pay off handsomely when you suddenly need a change in itinerary. Take, for example, the growing problem of cancelled or long-delayed domestic flights. Many a traveller jostles for a place in a long ticket counter queue at the airport gate to make alternative plans. By the time he works his way to the front of the line, all the other flights are full. Experienced travellers, though, sprint to the nearest telephone to call their travel agent, who books them on the best flight available. Not only is business travel in North America convenient, it is also cheap by world stan-

dards - even more so after the dollar's recent dive. The per diem for New York is \$282 (£143.10), ranking sixth in the world after Paris - \$320 (£167.50), London - \$320 (£162.40), Stockholm, Tokyo and Milan, according to calculations by Runzheimer International, a Chicago travel consultant. Other major US and Canadian cities are better value: Washington - \$216 (£109.50), 15th in Runzheimer's world rankings; Chicago - \$192 (£97.40), 28th; Boston - \$186 (£94.40), 30th; Los Angeles - \$183 (£92.50), 31st; San Francisco - \$173 (£87.30), 34th; Philadelphia - \$162 (£82.20), 37th; Montreal - \$156 (£78), 42nd; Dallas - \$156 (£78.50), 44th; Toronto - \$130 (£65.50), 45th; Seattle - \$126 (£63.50), 46th; and Miami - \$115 (£58.50), 50th.

Away from the major metropolitan areas, prices fall even further while room and food standards generally hold up well. A day in San Antonio, Texas, can cost \$69 (£30.50) for example, or in Columbia, South Carolina, \$60 (£30.50). A four-course dinner at the Holiday Inn at Sweetwater, Texas, costs \$9.56 (£5.05) of which \$2 (£1) is for a bottle of beer. It is unlikely that business will take you to a town quite as small or remote as Sweetwater, unless you are buying skins or meat at its annual Rattlesnake Roundup. But you could find yourself in one of scores of bigger cities, given the decentralised nature of the US economy. One of the great delights of such trips is the opportunity to experience a more relaxed, hospitable Amer-

IN THIS SURVEY

**Hotels:** Travellers are blessed with a wide choice of affordable hotels, ranging from deluxe to small and intimate, and offering a wide range of services.....1

**Domestic air and rail travel:** Don't pay more than you have to and know that there may be a choice of routes.....2

**Car hire:** At some point, you will need a car. Where to rent one and how much to pay. What, when, where and how: Los Angeles, New York City, Boston, San Francisco.....2

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Taxicab drivers expect at least 10-15 per cent tips

ica than is usually found in the big cities. Regional differences can be marked and are well worth savouring, whether you meet good old boys in the deep south, peppery New Englanders or laidback Californians. For almost 400 years, foreigners have been coming to North America to make

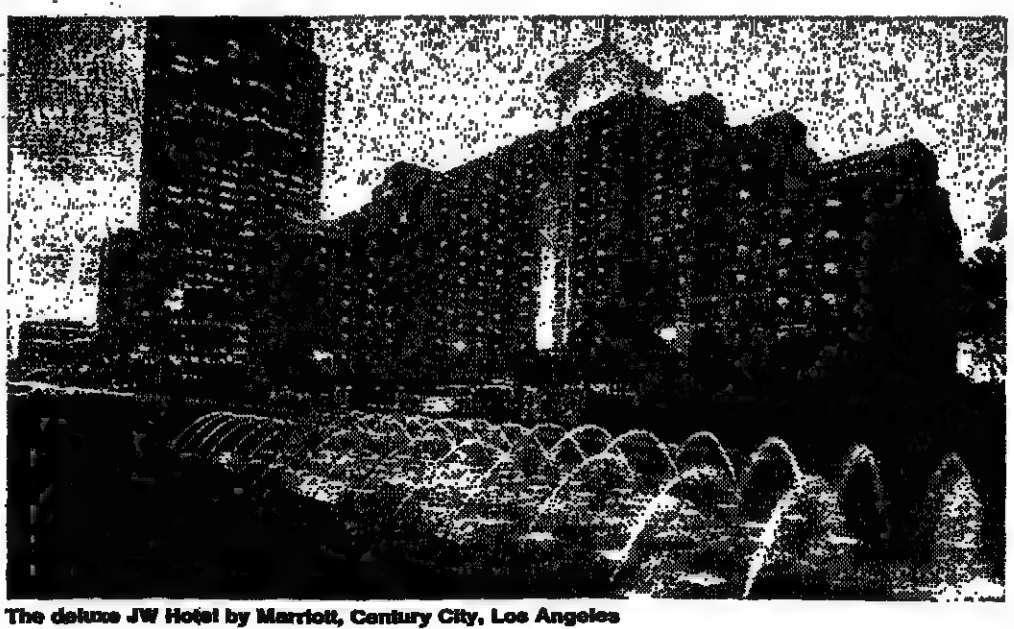
**No other economy in the world is so well researched and documented**

money. The draw today is as strong as ever and the rewards are great for those who can beat the competition on price and quality or have a bright idea for a business.

An impressive example in recent years has been Ikea, the Swedish furniture company. At first glance it would seem the last thing the US needed was yet another chain of furniture stores. But Ikea decided it could crack the market with simple but attractive designs and low prices.

It began modestly, learning the ropes in smaller markets before breaking this year into metropolitan New York. The flood of people heading for its giant store can cause traffic jams on the New Jersey Turnpike.

According to Ikea's jokey radio advertisements, "it's a big country out there; someone had to furnish it." Whether foreign businesses' ambitions are big or small, North America beckons.



The deluxe JW Hotel by Marriott, Century City, Los Angeles

**HOTELS: what to expect, by Karen Zagor**

Clean, helpful and willing to haggle

A nationwide surplus of hotel rooms, created by the steady expansion of the industry during the 1980s, has meant that these extra touches are becoming the norm as hotels vie to lure travellers into their rooms. As a result of this glut of supply, it is almost always possible to haggle successfully over the price of a room, particularly in cities with low occupancy rates. Business travellers often can get reduced, corporate rates merely by asking, even if their company does not have an account with the hotel chain. In addition, members of the American Automobile Association can arrange discounts of about 10 per cent at a number of chains including Courtyard

by Marriott, Le Quinta, Ramada, Rodeway, Sheraton and the Quality International hotels. There are complementary arrangements with similar automobile associations in other countries. There are exceptions to the vacancy glut. Cities such as New York and Los Angeles attract so many tourists and business travellers that it can be hard to find a room at all, particularly when there is a convention in town. But even in these cities, the growing competition has kept hoteliers on their toes. Furthermore, at the weekend, when most of the travelling business people head for home, many hotels drop their rates by nearly half to fill the empty rooms.

The company which owns the Hampton Inn group also runs the Embassy Suites hotels at the higher end of the market. Embassy Suites are aimed specifically at business travellers, with comfortable bedrooms and separate living rooms where you can entertain. Among the cheaper chains, the only names to avoid are the Scottish Inns and Red Carpet Inns, which left about 25 per cent of Consumer Reports' readers dissatisfied. Instead, look out for Motel 6 hotels, which was recently acquired by Accor of France. The new owner has ambitious plans to improve the chain. A number of chains now offer a range of accommodation with varying degrees of

luxury and price. Holiday Inn, for example, offers more upmarket accommodation through its Holiday Inn Crowne Plaza hotels, while Quality Inn's more sumptuous lodgings call themselves Clarion Hotels. At the lower end of the line, Quality Inn has its Comfort Inns or its very basic Sleep Inns. For slightly longer stays, it is worth investigating Marriott's Residence Inns, which have fully equipped kitchens. Consumer Reports gave this chain top rating in its high-priced hotel category. At the very top of the market, the Four Seasons hotel chain was the clear leader, with top ratings in all of the

Consumer Reports categories except swimming pool size. Accommodation at most Four Seasons comes at a premium, but if money is no object it is certainly worth the extra expense. There are all sorts of hazards inherent in making advance reservations at hotels - a common complaint is arriving at a hotel only to find it has no trace of the reservation on its computer system. Travellers confirming their reservations through the centralised booking system of the bigger chains should note that if they made the reservation directly through the hotel, it may not show up on the corporate computer. The reason is simple - many hotels in North America are franchises which do not log individual reservations with the parent company. Among the luxury chains, Consumer Reports found that Westin and Omni had the highest rate of problems with reservations. A number of luxury hotels offer executive floors where, for slightly more money, travellers can enjoy the advantages of separate check in, more personal concierge attention and a host of perks. Security tends to be better on the executive floors, making them particularly attractive to women travellers.

In a nation known for its health fanaticism, there is nothing unusual in finding a health club, or at least a weight room and swimming pool, appended to a hotel so that one's exercise regime need not be interrupted by travel. Price gouging by hotels when it comes to the phone bill is an international problem, and North America is no exception. Some hotels have local "access" charges of more than \$1 for local, credit card and toll-free calls dialled from the room. If you do a lot of business by telephone, the bill can well amount to more than the cost of the room. However, most hotels have phones in the lobby, often isolated from the noise of passers-by, where calls can be made without the hotel surcharge.

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## NORTH AMERICAN BUSINESS TRAVEL 2

AIR AND RAIL: Best options outlined by Karen Zagor

## The hub of the matter

IT IS easy to forget that distances between North American cities are vast and that it takes almost as long to fly from New York to Los Angeles as from New York to London.

The result is that North Americans use air travel the way Europeans use the railway, since even the relatively short trip from Boston to New York is 190 miles.

Most small cities and towns in the US are linked to larger cities by what were once called "scheduled air taxis", now dubbed regional airlines. The best way to fly to Akron, Ohio, for example, is by commuter

## Fares are linked to competition rather than distance

flight because most of the bigger airlines serve Cleveland 30 miles north of Akron.

There are strong links between the regionals and the major airlines. For example, eight regional carriers operate under the USAir Express banner, using USAir's computer reservations system. In 1988, USAir/Piedmont carried nearly 6m passengers, nearly as many as flown by KLM in the same period.

Tall travellers should note that most of the regionals operate turboprop equipment and the standing height of some cabins is less than five feet. In addition, room for carry-on luggage is often more limited than on the bigger aircraft.

Regulation of the airline industry, initiated by the Carter Administration in the late 1970s, reshaped the face of air travel in the US. Each airline now determines its own rules, including regulations on everything from liability for damaged baggage to boarding rules. The only exception is that no smoking is allowed on any domestic flight.

Not least among the changes wrought by deregulation is the emergence of the hub system, which travellers ignore at their peril. Airlines use hub airports to gather passengers from various destinations and send them on to other cities.

The problem with hubs, from a practical point of view, is that it has become difficult to

fly directly from one point in the US to another because airlines naturally like to route flights through their hubs to collect passengers from other flights.

Although the Federal Aviation Association (FAA) has tried to prevent airlines from having monopolies at hub airports, different carriers are clearly dominant in certain regions. Delta Air Lines, for example, has an extensive network in the south-east, and is virtually the only carrier with direct flights to its Salt Lake City hub in Utah. Flights to Salt Lake City on American, for example, are routed through Dallas.

Furthermore, the US skies are controlled largely by only three carriers - American, United and Delta - which together account for about half the domestic market.

For travellers whose trips are confined to one sector of the country, it is worth travel-

ling on the dominant airline, since flights are less likely to make stops and some airlines offer Visit USA discounts to foreign travellers which can top as much as 30 per cent from standard fares.

Not that there is such a thing as a standard fare these days, thanks again to deregulation.

## Rail can offer an attractive alternative to flying

Fares in North America are linked to competition on routes rather than distance travelled. On popular routes, there are many discounts and special tickets on offer that it is rare to find a row of passengers on a jet where everyone paid the same amount.

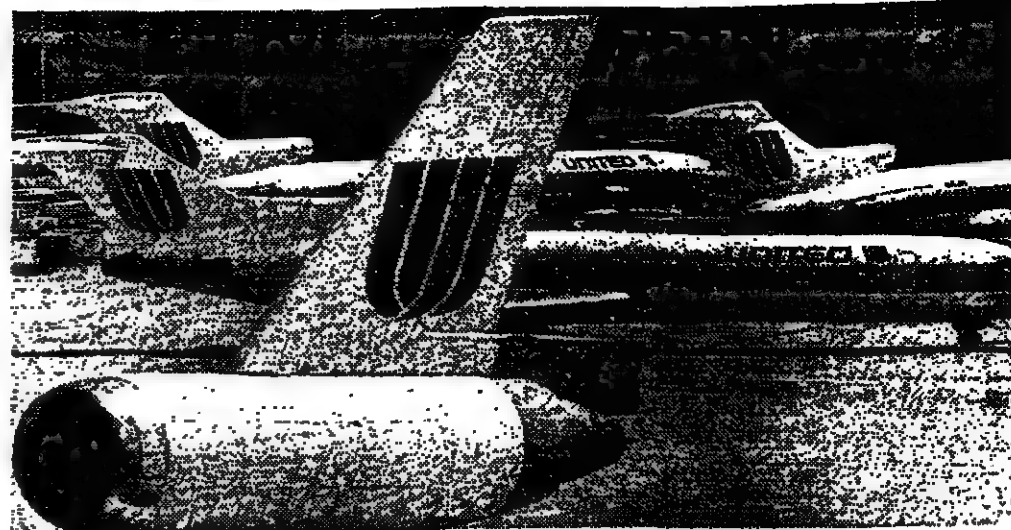
Business travellers can take advantage of corporate rates, and if visiting a big American company it is worth

trying to book a ticket using its name.

In spite of the growth of hubs, New York's John F Kennedy airport still has the largest number of international flights, followed by Miami and Los Angeles International. However, a growing number of smaller airports now offer direct flights overseas.

If possible, it is better to enter the US through the smaller gateways, where less traffic means a greater likelihood of prompt arrival and departure and the lines at customs and immigration are generally shorter.

Similarly, smaller airports are often more convenient when flying domestically. In Chicago, for example, Midway airport on the city's south side is about 30 minutes closer to the Loop than O'Hare at rush hour. In addition, there is easier access to parking and car rental at Midway and the walk between connecting flights is shorter.



Each airline now determines its own regulations on everything

When air travellers in the north-east talk about the shuttle, they are referring to flights between New York, Washington and Boston, offered by Pan Am and Trump Air. The Trump flights leave on the hour, Pan Am on the half hour. Neither airline takes reservations but both guarantee every passenger a seat.

Amtrak, the state-run rail service, offers an attractive alternative to flying on the New York-to-Washington route in the form of its Metroliner, an upscale high speed train which covers the distance in about two-and-a-half hours. The advantage of the Metroliner is that it runs to and from downtown, avoiding snarls at

airports. And trains are rarely delayed by bad weather or traffic. In addition, tickets on the Metroliner cost substantially less than the shuttle.

Similarly, the Toronto-to-Montreal run takes slightly longer by train, but the Canadian rail service has a special business section where you can read and work without distraction.

It is also worth investigating the railway for travel within a region. Unfortunately, the vast size of both Canada and the US makes train travel impractical for longer journeys.

Quick guides to airports, hotels, restaurants, business, leisure and climates in important cities (see Page 4)

## Business by the Pacific

LOS ANGELES, variously known as La-La Land, the Big Orange, El Lay and Tinseltown has been dubbed superficial by an east coast which knows better but manages to mask its eye well.

LA is everything foreigners love to hate most about the US - big, brash and badly polluted with an overabundance of beautifully fit people who happily flaunt their bodies on the city's beaches. Yet the city has become America's western-most business centre, whose rise is linked directly to the growing importance of the Pacific Rim.

Los Angeles International Airport, generally referred to as LAX, is big, somewhat confusing and nowhere near the city's business or main residential districts.

Cabs from the airport can be expensive. Instead, take the Super Shuttle (777-6000), which costs about \$15 (\$7.90). Advance reservations are necessary (LA area code is 213). Or rent a car. It is possible to survive in Los Angeles without one, but it would be a messy existence.

Public transport is a parody of the infrastructure found in most major cities. And taxis are no solution. They cannot be hailed on city streets and the sprawling mass of LA makes fares prohibitively high. If the thought of jostling directly into the city's labyrinthine freeway system from an international flight is daunting, it is possible to get to most points by taking Sepulveda Boulevard towards Beverly Hills and beyond. Ask for directions from the car rental agency.

## LOS ANGELES

LA's streets run straight and wide, with a few exceptions including Sunset Boulevard and Beverly Glen. However, in recent years more and more cars have been coming onto the roads, and rush-hour traffic jams are now the norm on freeways.

Hotels are an integral part of LA's working life. It is not easy for business to be conducted at the Beverly Wilshire restaurant or to have evening meetings at the Polo Lounge in the Beverly Hills hotel.

Downtown (yes, there is a downtown LA), the Biltmore (624-1011) sets the standard for old-style LA charm with its combination art deco/Spanish Gothic decor.

Also downtown is Checkers (624-0000), which is strewn with antiques and also boasts a first-class kitchen, and the St James Club (654-7100) which is small, exclusive and accepts non-club members.

The low room rates at the Chateau Marmont (656-1010) on Sunset Boulevard belie the establishment's prestige. Long a favourite of celebrities escaping the limelight, it is less polished than its more newsworthy sisters but has much more character.

The Hotel Bel-Air (672-1311) and Beverly Hills Hotel (276-2251) vie with each other for the city's most decadent lodgings. Both have glamour and beauty galore, but the Bel-Air's extensive grounds make it a resort.

At the airport, mini-hotels rooms can be found at the Tom Bradley International Terminal for brief resting spots between flights.

Most big hotels have facilities for conventions. Otherwise, there is the Los Angeles Convention Center on Figueroa Street downtown (744-1151).

LA's favourite restaurants are more changeable than the seasons. At present, Citrus on Melrose is walking away with the most accolades, thanks to the skill of chef Michel Richard and his staff. The Citrus lunch menu is considered one of the best bargains in the city. Other local favourites

include Spago, where getting a table can be a problem for those without celebrity status.

The City Restaurant on La Brea provides a taste of LA's art scene and some of the best desserts in town, while downtown the 7th Street Bistro is popular.

The Musso and Frank Grill (known as Musso Frank's) is a long-time favourite haunt of film crews.

For Mexican food, try the Garden of Eatin', Casablanca, Casa Carnitas or the Border Grill.

Contrary to popular belief, LA has a vibrant art scene. The city's museums include the Museum of Contemporary Art downtown, the Norton Simon in Pasadena, or drive up the coast to the J. Paul Getty Museum.

For tourism Hollywood-style, visit Universal Studios or Disneyland in Anaheim.

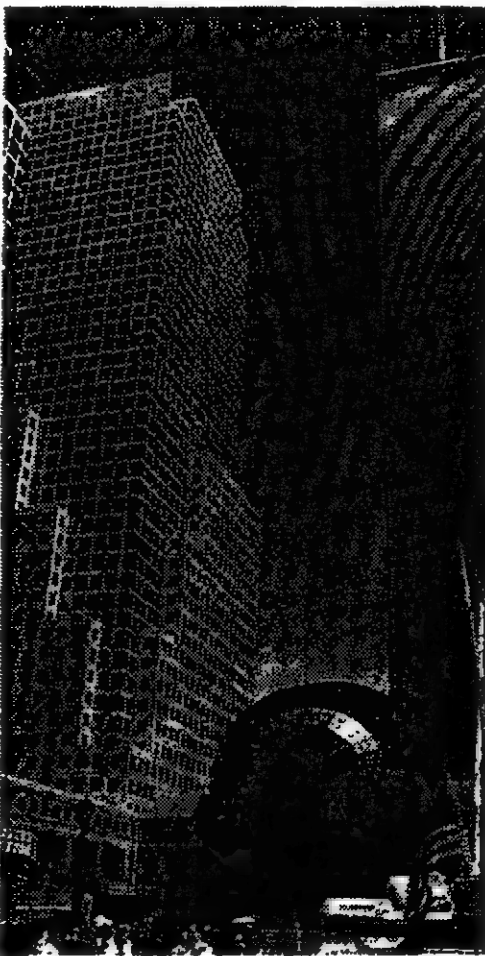
For trips outside the city, the Mission Trail runs south to San Diego or north beyond San Francisco, with a stop at San Simeon for the Hearst Castle. Days in LA are generally sunny, with temperatures soaring above 37 deg C (90 F) in July through September, and rarely dropping below 19 deg C (65 F), even in January.

Nights are cool, even at the height of summer, so take a sweater.

Karen Zagor



Boston's financial district seen from the harbour (above) The World Financial Centre Development in New York City (left) and San Francisco Bay



## After the earthquake

SAN FRANCISCO may not have the smog and murderous freeways of its sprawling southern neighbour, Los Angeles, but it did have the 1989 earthquake. Visitors should not be deterred.

Die-hard San Franciscans won't respect from the rest of America when they shrugged their shoulders, rebuilt devastated neighbourhoods with startling speed and showed no intention of moving to safer ground. This stunning city of cable cars, towering glass skyscrapers and bustling neighbourhoods is worthy of this loyalty.

Getting there, however, is still traumatic because of reconstruction on one of the main freeways into the city from San Francisco International Airport, 15 miles south of the city.

Taxi fares are posted outside the arrivals terminal with a recommended fare of \$24 (\$12.70) to downtown. There is also a bus service to the major hotels which departs every 20 minutes and costs \$4 (\$2.12).

Once you have arrived, there are plenty of wonderful hotels to choose between. The Mark Hopkins (382-3434), on top of Nob Hill, boasts the Top of the Mark rooftop bar, a favourite local meeting place.

Also on Nob Hill is the Stanford Court (382-3500), with its beautiful glass-domed courtyard carriage entry (the area code is 415).

In the financial district, the Hyatt Regency (788-1234) has numerous facilities for business people and features a spectacular 20-story atrium. For those in search of something more contemplative, there is the Casa Madrona (382-0502) in Sausalito, perched

on a hillside overlooking the vast San Francisco Bay.

There is no need to hire a car in town. The BART metro is clean, quick and efficient and buses and cable cars can easily transport you around the city.

The San Francisco area claims to be the gastronomic capital of the US, with an average of one restaurant to every 200 inhabitants.

There are hundreds of Chinese restaurants, of course, but

Art, California's Academy of Science and Ripley's Believe it or Not Museum, with its collection of record-breaking phenomena, are just a few wonderful spots.

Candlestick Park, the stadium which the world was watching as the earthquake interrupted the World Series baseball game, is home not only to the Giants but also the 49ers football team.

San Francisco is a shopper's dream. Union Square is the west coast equivalent of New York's Fifth Avenue, surrounded by numerous upmarket department stores. Pier 39, near Fisherman's Wharf, has dozens of interesting and unique shops and just a short walk away, there are more boutiques in The Cannery and Ghirardelli Square.

For wine lovers, the Napa and Sonoma valleys are an hour's drive north of the city. Many of the leading California wineries are open to the public with tours and tastings rooms. Domaine Chandon, in Sonoma, also has an excellent restaurant.

Within easy driving distance of San Francisco is the seaside artists' colony of Carmel and Monterey, which also has an impressive aquarium and a notable population of sea lions. The drive along Highway One south of San Francisco offers stunning cliff-top views of the Pacific Ocean.

San Francisco's weather is typical of a seaside town, famous for drizzling rain and fog rolling in across the bay. Temperatures are relatively mild, regardless of season.

Rivka Nachoma

## Love or hate it experience

BURSTING WITH life, commerce and adventure, New York City is everyone's idea of the ultimate urban experience - wonderful or awful. Whether you are a fan or a hater, every visitor will find something in the Big Apple, you will certainly remember it.

For all its intimidating frenzy and inhuman scale, New York can be tamed. Locals know how to make it bearable at least, exhilarating at best. Visitors inevitably find the task harder, but will find their New York friends and associates willing to share some of the tricks.

Money is the easiest pain-reducer. If your travel budget runs to first class airlines, helicopters in the city or a suite at a palatial hotel, the unflinching help of its concierge and a chauffeured stretch limousine, your visit should be

the third. All three are served by buses. Your hotel could also arrange a limousine pick-up.

Luxurious accommodation and thoughtful service can ease the strain. Among the top ranked hotels are Carlyle (744-1600), Lowell (838-1400), Mark (744-4300), Peninsula (247-2200), Pierre (888-8000), Plaza (759-3000), Stanhope (288-5800), Waldorf-Astoria (385-3000). Area code is 212.

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## Something old, something new

BOSTON is an eclectic mix of old world charm and futuristic sophistication.

The ancient waterfront is the site of the Boston Tea Party, the last stand against British rule that led to the War of Independence. Nearby Cambridge is home to several world-class research institutions, including Harvard University and the Massachusetts Institute of Technology. The east coast's premier high-tech enclave lies along the famous Route 128.

Large exhibition spaces can be booked at the John F. Hayes auditorium and the World Trade Center. Most big hotels have conference facilities.

Logan International Airport is a mere three miles from downtown. A cab into the city takes about 20 minutes and costs around \$12 (\$5.30). A bus service runs every 30 minutes

from 8 am to 7 pm, costing \$6.50 (\$3.45). For less than \$1 (\$3p), you can take the blue line subway to downtown's Government Center Station. A more pleasant journey into the city is the Airport Water Shuttle. The 10 minute ride across the harbor to Ropes Wharf costs \$7 (\$3.70) and runs every 30 minutes during the rush hours (the service does not run in winter).

The modern Boston Harbor Hotel (439-7000) on Ropes Wharf has health club facilities and meeting rooms. Boston's "Grande Dame", the Copley Plaza (267-5300), is filled with old world elegance. The other great lady of Boston is the Ritz Carlton (338-5700). Try the Lenox Hotel (536-5300) for a more intimate atmosphere. Along the same theme is the small and elegant Bostonian (338-5800), located at Faneuil Hall Marketplace (all numbers are area code 617).

Boston has had a culinary explosion in excellent ethnic and nouvelle restaurants. Anthony's Pier 4 serves Boston Szechuan, lobster, creamy New England clam chowder (not the tomato-based

red chowder found in Manhattan) and raw oysters.

Other top seafood restaurants include Jimmy's Harbor-side, a Boston tradition, and Fogal Sea Food in the Park Plaza Hotel. Reservations are not accepted at the latter. The Colony is known for its excellent food, while New England cuisine with a French accent can be found at L'Espresso and Le Marquis de Lafayette.

Boston offers an array of cultural and sports activities. The Boston Symphony, Ballet and Boston Pops perform at Symphony Hall. Sullivan Stadium is the place to see the New England Patriots football team. Take in a Red Sox game at Fenway Park, the oldest and most exciting major league field in the US.

In a city of research, education and history, museums are plentiful. They include the JFK Library, the Museum of Science and Hayden Planetarium, the Museum of Fine Arts, the New England Aquarium, and the Isabella Stewart Gardner museum. Telephone Eventline (267-6448) to find out what's on.

Boston is a shopper's delight. Backs neighbourhood has its own distinct retail scene. Back Bay, with its elegant 19th century shop fronts, Copley Place with its designer boutiques and Faneuil Hall Marketplace, a favourite with tourists.

Boston's location makes it ideal for day trips and weekend outings. Cape Cod, where the Kennedys roam the beaches, Thorndike's Walcott Pond, Salem (home of the witch hunts), historic Plymouth, Lexington and Concord are nearby.

The weather is changeable. As Bostonians say, "If you don't like the weather, just wait a minute." Winters are cold and damp, with icy winds, snow and sleet. Autumn with its average temperature of 13 deg C (55 F) is the ideal time to visit. Summer temperatures average a comfortable 23 deg C (72 F), but they can soar up into the 90s. Spring is a comfortable 9 deg C (48 F).

Rivka Nachoma

## NEW YORK

more than tolerable. But there is no need to chew up next year's profits. Less rarefied forms of travel and accommodation will do nicely.

Doing business can be frustrating in New York. Many people cram too much into a day, delaying, rushing or cancelling meetings.

Getting around midtown by car can take for ever - consider taking the subway; it is much better than its reputation. For a welcome change of pace stroll through Central Park.

But is New York safe? No, compared with European cities; yes, compared with many urban centres elsewhere in the world. Daylight, crowds, location and caution are the best protection. Seek advice from locals.

Most likely, you will arrive in New York at one of its three airports - Kennedy and Newark for international and long-distance domestic flights, La Guardia for short haul, domestic and Canadian flights. Taxis into Manhattan cost around \$40 (\$20.50) from the first two airports and between \$15 (\$7.50) and \$20 (\$10.10) from

Roderick Oram

Roderick Oram



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BECAUSE HE RARELY HAS TO MAKE ONE.



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ORLANDO

ATLANTA

DALLAS/FORT WORTH

CINCINNATI

EUROPE

\*Based on consumer complaint statistics compiled by the US Department of Transportation. ©1990 Delta Air Lines, Inc.

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## NORTH AMERICAN BUSINESS TRAVEL 4

Quick guides to the airports, hotels, restaurants, business and leisure areas and climates of the most important cities (see Page 2)

## The true picture

CHICAGO IS burdened by images of its former self — a town of gangsters, meat packing plants and belching smokestacks. But today the visitor will find a clean, thoroughly modern and sophisticated city that has become a world financial centre.

The city is home to the world's two largest futures markets, the Chicago Board of Trade and the Chicago Mercantile Exchange, and the world's premier options exchange, the Chicago Board Options Exchange. The Mid West Stock Exchange is the largest US regional securities market.

These financial markets dominate life in the city's bustling downtown business district (known as the Loop, after the roughly rectangular pattern of elevated train tracks in the city centre). Even if you are not doing business in the futures and options markets, it is worth visiting them to witness the frenetic trading pits where the time-honoured, if chaotic, method of open outcry is used.

Chicago remains an important industrial location: 26 of the Fortune 500's industrial companies are located here. As a consequence of its importance as a business centre, all major US banks and broker-

ages have Chicago offices. Branch offices of 51 foreign banks are open here.

The Windy City is a popular venue for conventions and business meetings. Large trade show facilities are available at the McCormick Center Hotel, and other major hotels, such as the Hilton Towers, Ryatt Regency and Palmer House.

## CHICAGO

have convention and meeting facilities.

For accommodation along the Magnificent Mile, the city's poshest area, the Drake at Walton Place and Michigan Avenue (787-2200) is vintage elegance; a smaller yet equally distinguished alternative is the Park Hyatt at 800 North Michigan Avenue (280-2222). Both are expensive at \$180 (\$210) upwards (area code for all numbers is 312).

More moderate priced choices in the same area are the Talbot at 20 East Delaware (644-4970) or the Richmond at 162 East Ontario (787-3580). Closer to the business district are the Palmer House at 17 East Monroe (726-7200), Hilton Towers at 730 South Michigan (322-4400) or the smaller, taste-

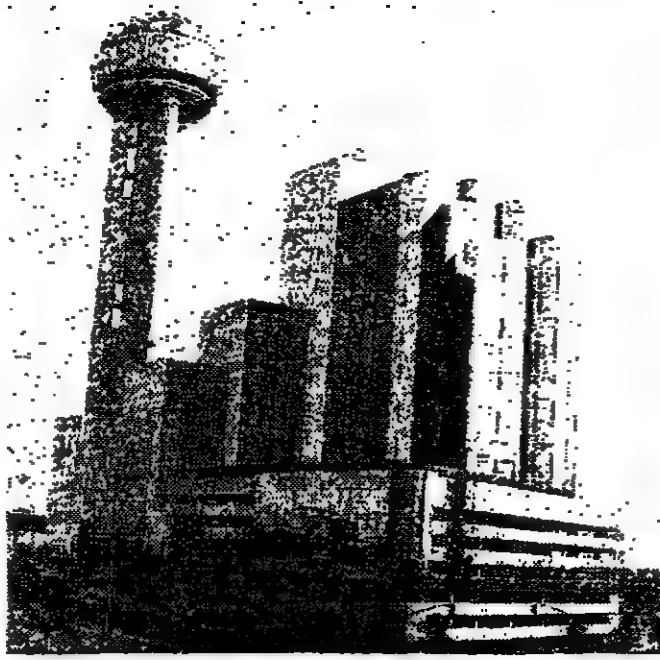
ful Marton Omni at 500 South Dearborn (663-3200).

Chicago is a beautiful city. Set on Lake Michigan, a wide public park along the lake offers a panoramic view of some of America's best modern architecture, including the Sears Tower, the world's tallest building.

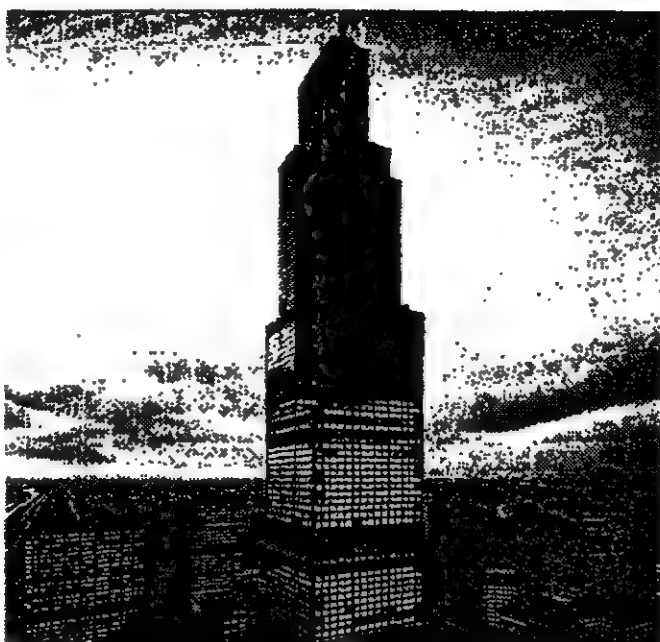
The Chicago Art Institute has a superb permanent collection and fine special exhibits. The Lyric Opera, the Chicago Symphony and numerous good theatres offer high entertainment. And Chicago's blues, jazz, comedy and night clubs are some of the best in the US. For dining, the city is served by more than 6,000 restaurants, many offering ethnic fare. A selection could include the Everest Room at the top of 440 South LaSalle Street for French cuisine with a spectacular view; Harry Caray's "sports bar" type steak house at 33 West Kinzie Street; Shaw's Crab House for good seafood at 21 East Hubbard; or the popular Gino's East at 160 East Superior for a sample of Chicago-style deep dish pizza.

Finally, while the city's weather is not always welcoming, Chicagoans have not lost their mid-western warmth.

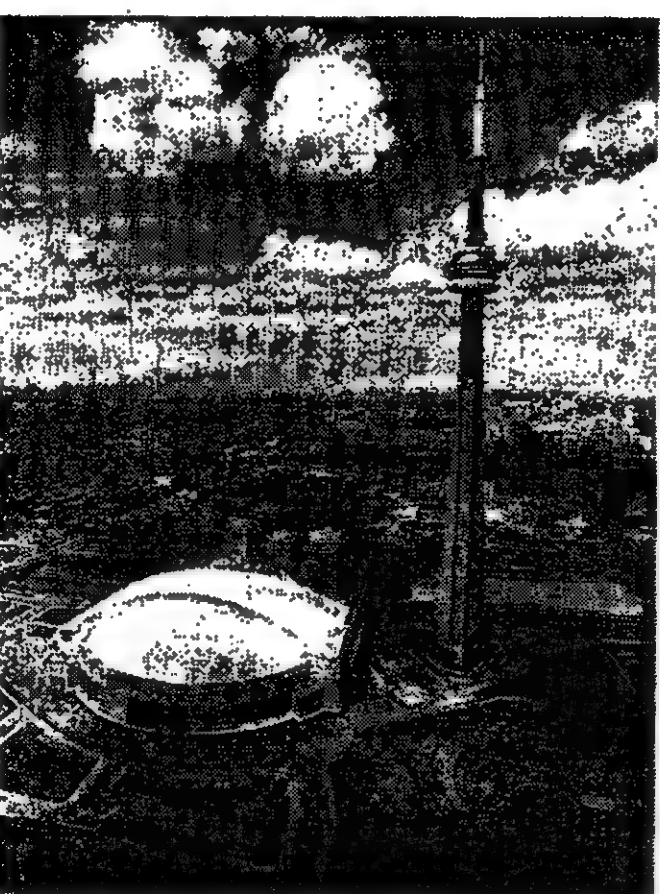
Barbara Durr



Hyatt Regency Hotel, Dallas



The Sears Tower in Chicago



Toronto's new Skydome, near the CN tower

## Lunch with a cactus

DALLAS and Fort Worth, collectively known as the Metroplex, a sprawling mobilization of highways, skyscrapers and suburbs, is in many ways the classic American city of the 1990s.

Skyscrapers gleam like beacons in the big sky of the empty Texas landscape. Many suburbs exude cleanliness and wealth; the financial core is hectic but efficient.

But Metroplex is more business than pleasure. Its downtown empties at night and, not people, often seem its lifeblood. Visitors may find themselves yearning for the gritty pleasures of a musty but more lively neighbourhood.

Dallas-Fort Worth International Airport, like everything else in the Lone Star state, is larger than life. Located midway between the two cities, Manhattan could fit into its confines. A journey of about 18 miles will take you to either downtown. The cab fare to Dallas is about \$25 (\$12.60), and the trip takes 30 minutes in light traffic. The time and fare can double during rush hour. A cheaper alternative is the Super Shuttle mini-bus (\$17.32-\$20.00) whose fare runs between \$10 (\$5.00) and \$14 (\$7.10). Reservations can be made at the airport courtesy phone and a mini-bus collects passengers 15 minutes later.

Better yet, hire a car. Dallas-Fort Worth covers a huge area. If your appointments are scattered, your car-hire bill could easily cost less than cab fares.

Of the many excellent hotels in Dallas, the most elegant and

desirable is the Mansion on Turtle Creek (214-559-2100). An Italianate villa spread over 4.5 acres, this luxury hotel offers a health spa and use of the nearby Brookhaven Golf and Tennis Club.

A popular choice is the Adolphus (214-742-8200), in the heart of downtown. The rooms are finely appointed and guests

## DALLAS

have privileges at the Texas Club health spa. Another downtown favourite, the Fairmont (214-720-2000), has recently been completely renovated. The Four Seasons Resort and Club (214-717-0700) in Las Colinas has conference facilities, a health spa and an 18 hole golf course on its 400 acres.

Dallas chefs pioneered one of the most exciting cuisines in America, known as "Southwestern Nouvelle": picture grilled steaks and pineapple salsa. South Street Cafe is an award-winning spot to sample this style of cookery. Nearby Baby Ruth is an airy bistro serving "down-home, Texas-style food".

For Mexican meals, try La Calle Doble in the Oak Cliff section of town. For Continental cuisine, the French Room in the Adolphus Hotel and the restaurant in the Mansion on Turtle Creek both offer excellent, though costly, choices.

With three major sites, Dallas is a prime spot for conventions and trade shows. Dallas Center complex has several

spaces including Infomart, a full-service facility with its own theatre, 35 meeting rooms, a 2,500 sq ft conference room, 300,000 sq ft of exhibit space and parking for 10,000 cars. The Dallas Convention Center has twice the square footage and plans to double that by the end of the 1990s; State Fair Park is another popular convention spot.

For sports enthusiasts, both Texas and Arlington Stadiums offer major league football and baseball games.

Dallas has several theatres and museums. Of particular interest is the JFK Museum, housed in the building from which Lee Harvey Oswald shot the President in 1963. Six Flags Over Texas is a Disneyland-style amusement park. A 24-hour telephone service line (822-2659), lists cultural events.

Dallas is considered one of the most over-mailed cities in the US. The most famous store is Neiman-Marcus, an upmarket shop famous for luxurious and unique gifts such as his and her Cessna aircraft. In nearby Fort Worth, the historical stockyards are an interesting diversion. San Antonio, home of The Alamo, is a short flight away and a great place to spend a weekend.

Dallas summers are hot and humid, with temperatures often soaring over 88 deg C (190 F). Winters are relatively mild, although there are occasional cold spells. In the spring, rain and dust storms are common.

Rivka Nachoma

## Good French accent

WHEN MONTREAL celebrates its 350th anniversary in 1992, it will be a little faded in parts but showing a new vitality. It is after all the world's largest French-speaking city after Paris, and Canada's most cosmopolitan.

The city sits on a 35-mile long island in the mighty St Lawrence River, dominated by the 750 ft Mount Royal. Three large bridges connect it to Quebec City, Toronto, New York and Boston. The conurbation holds about 3m people, making it second only to Toronto in size.

Skyscrapers, including the 45-storey Place Ville Marie, might suggest Montreal is just another North American city astride a waterway running 1,000 miles inland to the Great Lakes and 1,000 miles to the Atlantic.

But Old Montreal has survived its 350 years and the developers' bulldozers surprisingly well, even if restoration work is slow; the Old Montreal of the 17th and 18th centuries blends with the glories of the Victorian era and the bustling boom of the 1960s.

Founded by the French in 1642, just 34 years after Quebec City, Montreal began life in the fur trade. During the industrial revolution, the railways and heavy emigration from Britain and Europe, Montreal came under the control of Anglophone merchant families. Some of their mansions survive on the southern slopes of Mount Royal and are now part of McGill University.

For several generations Montreal was the business capital of Canada, losing the title in the 1980s to Toronto because of the pull of development to the centre of North America and the West.

Today the Francophones have regained economic control following the departure of

about 100,000 Anglophones in the 1970s when Quebec had a separatist provincial government. Montreal is about 70 per cent Francophone.

The jet engine killed the ocean liner traffic up the St Lawrence to Montreal, but the city remains Canada's biggest transatlantic hub. It islesies Baltimore for the title of second-largest east coast container port.

Mirabel International Airport is finding a North American scale vocation and aims to be connected by high speed train to Toronto and New York one day.

Montreal has a 40-mile sub-

## MONTREAL

ber-tyred subway system, similar to the Paris Metro. The business district is central. Whether you arrive by Dorval domestic airport or Mirabel, a cab to the city centre costs between C\$30 (\$13.60) and C\$50 (\$22.80), a shuttle bus between C\$7 (\$3.10) and C\$10 (\$4.50). Journey time is about 30 minutes in light traffic, double in the rush hour.

Hire cars are moderately priced, but petrol is much more expensive than in the US. Central garage parking costs between C\$7 (\$3.10) and C\$15 (\$6.80) a day.

There is a wide range of hotels in central Montreal and the suburbs. A chic spot where business and politics meet is the Ritz Carlton on Sherbrooke Street (514-842-4212 or 1-800-223-6800). Others include the Quatre Saisons, Reine Elisabeth, Chateau Champlain and Meridien. All have excellent restaurants, full amenities, conference and convention facilities; prices range from C\$150 (\$68.40) to C\$235 (\$107.30) a night, with some bargains in the winter.

Average temperatures range from 21 deg C (70 F) in summer to -10.2 deg C (14 F) in winter.

Robert Gibbons

## Tips for travelling in North America

## HEALTH INSURANCE

Healthcare costs are high. Arrange for medical and dental coverage beforehand. Select a policy which offers at least \$500,000 (\$265,597.40) total coverage.

In Canada, you can purchase daily "emergency cover" from Blue Cross. Policy applications are available at most pharmacies as well as Information Centres. Purchase as many days as you need to a maximum of six months coverage. However, you are not eligible

to apply for the scheme if you have been in the country more than 10 days.

## TIPPING

Service charges are seldom included in restaurant and bar bills; a 15-20 per cent tip is appropriate. Taxi/cab drivers expect at least 10-15 per cent gratuity added to the fare. The same is true for hairdressers or barbers.

## MONEY

You should bring travellers

cheques in the local currency as they are treated like cash in most places. Use cheques in small denominations when paying for goods and services and carry your passport for identification.

American Express travellers cheques are most widely accepted. Travellers cheques in foreign currencies can be changed at most major banks as well as bureaux de change, but fees tend to be high.

Personal cheques from foreign banks are of little use. Access or Visa credit cards can be used for purchases or to

obtain cash at major banks and automated teller machines (ATMs) displaying the Visa and Mastercard symbols. If your bankcard belongs to the Citicorp or Plus networks you can get cash from any ATM displaying those symbols. American Express offices provide travellers cheques or cash to their cardholders.

## AUTOMOBILE INSURANCE

Car hire firms automatically add collision insurance. Members of the British Automobile Association may be eligible for exemption. Check with the car hire firm before you book. In Canada, visiting drivers must

have full liability insurance, but minimum coverage will vary from province to province. Information is available from the Canadian Automobile Association.

## DRIVERS AND PEDESTRIANS

Driving laws are at the state or provincial level and vary from region to region. In the US, 55 mph (89 kph) is the national maximum speed, but individual states often impose differing limits with signs posted along each thoroughfare. These limits are strictly enforced by local authorities and radar detection is widely used to catch violators. Please unfamiliarity with local laws does not always help and fines can be high.

Drinking and driving is taken very seriously and first time offenders will have their licence suspended. In some states an open liquor bottle in the car is enough to cause you serious problems. Pedestrians should avoid "jaywalking". Crossing against a red light or at other than proper crossing places is illegal and a fineable offence in many cities.

## BUSINESS BEHAVIOUR

Official work hours are from 9 am to 5 pm, but there is a wide variation across the country. On the west coast, companies often link office hours to Wall Street. Their days begin as early as 6.30 am and by 5 pm the financial districts are virtually deserted.

Executives may guard their leisure time, but most do not object to important calls at home. Their home telephone number often appears on business cards.

Power breakfast meetings are standard, but after-work invitations tend to be more social. The days of the three-hour, three-course lunch are long gone as executives are keen to be away from their desks for more than 90 minutes.

Conservative dress is favoured by east coast and middle American business people, while on the west coast casual dress tends to be more casual.

## DINING

Mealtimes are earlier than in Europe. Lunch is at noon, and dinner (often called supper) can be as early as 5.30 pm. In some small towns, restaurants will not serve evening meals after 7.30 pm.

When charging a meal to your credit card the total will not be written on the charge slip. It is up to the customer to fill in the tip box and add that to the total. When using your charge card, ask for and destroy any carbon to avoid misuse of your credit card number.

Liquor stores are closed on Sunday by law and restaurants and bars cannot serve alcoholic beverages until noon.

## SMOKING

Smoking is prohibited in many public places and on domestic air carriers. There are designated smoking sections at most restaurants.

## CRIME

To avoid being mugged always walk in well lit, well travelled areas. Walk with a sense of your destination and do not stop along the street to look at a map or to peer up at the

sights. Do not count your cash in a public place. In case you become a victim, carry about \$50 (\$26.56) cash to placate the mugger and avoid violence (New Yorkers refer to "mug money").

## MISCELLANEOUS

Telephone numbers are sometimes replaced by letters. For example, Antrak railway information is 1-800-TSA-RAIL. Just use the corresponding number on the dial. There are a number of excellent books for business people travelling to North America.

Two in particular are *The Economist Business Traveller's Guides and Travellers USA & Canada Survival Kit* by Susan Griffith and Simon Calder. Both titles are published in the UK.

Rivka Nachoma

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## MANAGEMENT

## Design and development

## Total consistency in all aspects of a product

Christopher Lorenz reports on what the Japanese mean when they talk of all-round 'integrity'

Many European and American manufacturers are unaware of it, but they are defining themselves.

In a desperate attempt to slash the time-scale and cost of new product development, they have introduced a raft of new management processes. Two of the most popular are cross-functional project teams spanning previously rigid departmental boundaries, and 'simultaneous engineering', in which previously sequential phases in the design and development process are run increasingly in parallel.

But in many cases these new approaches are being managed far less effectively than western companies themselves realise - sometimes to a dangerous extent.

For one thing, there is inadequate communication between the different functional specialists whose work now overlaps. For another, too few of the project co-ordinators are sufficiently heavyweight, with strong official and informal influence over not just engineering, but also over production, marketing and sales - from the initial product concept right through into every detail of the product and its manufacture.

This is one of the main implications of what is possibly the most thorough research study yet carried out into the management of product design and development in Japan, Europe and the US.

The five-year study, by a team from the Harvard Business School under Professor Kim Clark, looks only at the car industry, examining project management by every major motor manufacturer (20 in all) in the late 1980s. But the European and US car-makers' growing use of teams and simultaneous engineering during that period has acted as a powerful model for companies in other sectors.

So the implication of the study, reinforced by widespread evidence of weak pro-

ject teams in a broad range of organisations, is that other western companies are falling into similar traps to those which have ensnared most European and American car-makers.

The Harvard research underlines how much more productive and speedy the best Japanese motor manufacturers are at product development than their European and US competitors.

The most significant difference, according to Harvard's research, is that car development projects in Japan are, on average, almost twice as efficient as western ones, requiring only 1.7m engineering hours per project versus around 3m in the US and Europe. Japanese development lead times from concept to market averaged just under four years during the study period, compared with around five in the US and Europe.

The Japanese figure not only represents an average over a period of years - it has since fallen further - but also hides considerable differences between the fastest (presumably including Honda and Toyota, though the report does not say) and the slowest.

A firststage of the Harvard results, which will be published later this year in book form, was given on Monday to a conference in London on Product Strategies for the 1990s, organised by the Financial Times in collaboration with the UK Design Council and the Boston-based Design Management Institute.

The growing importance of shorter lead times, higher development efficiency and what he called greater all-round 'product integrity' - all at the same time - was underlined by Professor Takahiro Fujimoto of the University of Tokyo, Clark's chief assistant on the Harvard project.

As consumer tastes have become more fragmented into niches, customers have also come to expect every aspect of a car to be 'integral', said Fujimoto; excellence in some

aspects, or novel technology does not impress users any more. They now want total consistency in every aspect of the product's function, appearance, feel and so on, he said.

When consumers become as sensitive as this to a product's subtle nuances, the organisations which develop those products have to be able to cope with the consequences, Fujimoto continued. For that to happen, every detailed aspect of the development organisation itself has to be integral.

For their research, Clark and Fujimoto developed complicated indicators of the organisational muscle of project co-ordinators ('internal integrators'), and also of the muscle of what they call 'external integrators' - employees who keep in direct touch with marketplace trends, and who integrate those factors into the detailed design of the product.

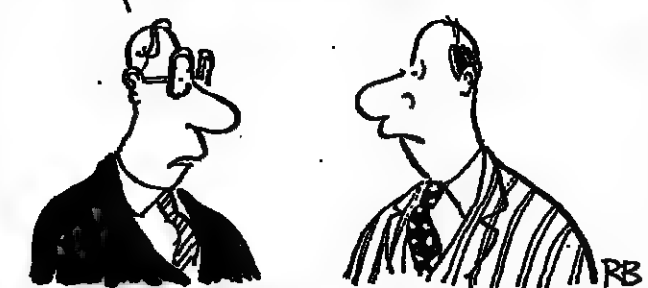
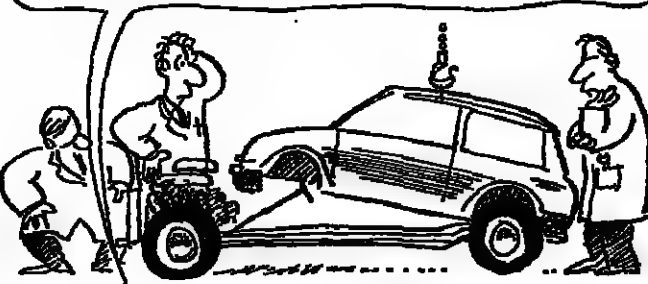
The research showed that, the stronger the internal integrator, the faster and more efficient the project tended to be. Similarly, the stronger the external integrator, the higher the 'product integrity' (and also the product quality).

The study also found, among various car producers, that the development organisations which achieved the best lead times, productivity and 'product integrity' tended to be those which combined powerful internal and external integration into the hands of one person. Christening such individuals 'heavyweight project managers', Fujimoto forecast that in the 1990s they could also come to be vital players in the development process for more up-market cars.

One of the unusual distinguishing features of such product managers compared with conventional project co-ordinators, said Fujimoto, was that they have direct contact with actual and potential customers.

As well as influencing, and learning from, market research surveys carried out by market-

ME? I THOUGHT YOU WERE SUPPOSED TO BE PROJECT CO-ORDINATOR



ing specialists, heavyweight project managers and their staff conduct their own first-hand research. 'Product managers need market imagination - the ability to forecast future customer expectations based on ambiguous and equivocal clues in the present market,' Fujimoto said.

Though most of the heavyweight product managers whom he and Clark found in the best performing Japanese companies were engineers by training, Fujimoto said that they tended to operate in a very similar fashion to industrial designers in terms of behaviour patterns and breadth of skills.

Other recent international studies on product development have suggested that, in companies such as Sony and Sharp, industrial designers themselves sometimes serve as powerful product integrators. But Fujimoto said that such cases were heavily concentrated in applications of consumer electronics where the prime competitive factor was not innovative technology, but the 'interface' between product and user.

Clark and Fujimoto's analysis of what makes most Japanese car development so effective also compares the degree of specialisation of engineers in Japan and the West. The broader the task assigned to each engineer, they found, the faster and more efficient the projects tend to be.

Fujimoto said that many development organisations (mostly Western) seemed to be

suffering from what he called 'the over-specialisation syndrome', while others (mainly Japanese) appeared to benefit from lower levels of specialisation without losing technological expertise.

An even starker difference was in the contribution of suppliers to product development. Japanese car companies tended to minimise the size, complexity and timescale of their own development projects by getting parts suppliers to do a significant part of the engineering. In Japan, the estimated average suppliers' contribution to each project, at almost 40 per cent, was almost twice as high as in Europe and virtually four times that of the US level.

Finally, Fujimoto reported that, in Japanese projects, the 'upstream' stages of product development (such as product engineering) and the 'downstream' ones (eg process engineering) tended to overlap more thoroughly than in European and US projects. Japanese practice showed that overlapping could shorten lead times effectively only when it is combined with intensive communications between upstream and downstream, he reported.

Effective overlapping, said Fujimoto, also required everyone to be able to cope with incomplete information, to be flexible, to share objectives, and to trust each other. If such conditions could not be met, he warned, the overlapping of phases was likely to result in confusion, conflict, and a deterioration in the effectiveness of product development.

## Apple Computer

## The fruits of flexibility

The US company is pinning its hopes on getting more products to international markets faster. Louise Kehoe reports

Apple Computer this week staged the most elaborate product launch in the company's 13-year history - a multi-million dollar worldwide series of events that included television broadcasts to 121 countries.

As the broomhaha diminishes, however, Apple faces a crucial test. If the company's strategic move to increase market share by lowering prices is to pay off, then Apple must greatly increase its sales volume.

Apple is pouring \$45m into an advertising and promotion campaign to attract buyers. The bigger challenges for the company, however, lie in production. So, for the past year, it has been fine-tuning its purchasing, manufacturing and distribution systems in preparation for this week's events.

'We are undergoing a major transformation of our business in a single quarter,' says Fred Forsyth, vice president of worldwide manufacturing. Apple must become a 'global, high volume, highly flexible manufacturer,' he says.

The new Macintosh models are already being churned out by Apple's three factories - in Fremont, California, in Singapore and in Cork in the Republic of Ireland. Each plant produces two of the three models and has the capacity to increase its share of the production load on a short-term basis.

Flexibility is vital because patterns of demand are difficult to predict. Apple has attempted to gauge demand by running special price promotions in selected markets, but there are many unknowns. Fears of a US economic recession may, for example, slow sales. Escalation of the Gulf crisis might bring the personal computer market to a halt.

Yet in order to take full advantage of the prime personal computer selling season, between now and Christmas, Apple must be ready to respond quickly if it finds itself with a run-away success on its hands.

'It is like being on a race track. We have to go all out,' says Forsyth. The company must be 'responsive to the curves in the track'. Apple is not ignoring the business envi-

ronment, but it is 'not paranoid about it', says Forsyth. To provide a cushion for error, Apple has hired subcontractors and temporary employees. 'We have 50 per cent flexibility,' Forsyth explains. If demand for the new products is 50 per cent below the company's projections, then production can be cut without worker layoffs.

Similarly, Apple has contingency plans to gear up production by about 30 per cent should its expectations for the new products prove conservative.

From the moment that the first new Macintosh is delivered to a customer, however, Apple will begin to gather data that will determine its production schedules for the new models. At regularly scheduled weekly, monthly and quarterly meetings with regional and national marketing groups, many held via video-conferences, Apple executives review demand and supply issues.

## Integration

Since the arrival of Michael Spindler as chief operating officer in February, the integration of the forecasting process with manufacturing has been working much better at Apple, says Forsyth, who joined Apple 18 months ago from Digital Equipment.

An important aspect of Apple's efforts to improve the responsiveness of its manufacturing has been to work more closely with suppliers. Ninety per cent of the cost of the Macintosh personal computer is in purchased components.

'The aim is to achieve 'virtual integration', which means having all of the virtues of a vertically integrated manufacturer without all of the baggage - the capital investment required to develop and build our own components,' says Forsyth.

Apple aims to become more closely coupled with its suppliers and has set up a rigorous global supplier certification programme that covers not only component quality and pricing but also the ability to respond to Apple's needs at its three far-flung plants with

technical support and swift deliveries. Speed is essential if Apple is to meet its new goals. The company anticipates shorter product life cycles and aims to introduce new products more frequently. 'Some will be better than others,' Forsyth acknowledges.

In the past, Apple lost market momentum by constantly reworking its product designs and delaying introduction. The best example of this, perhaps, is the Macintosh Portable, introduced a year ago after three years in gestation. By the time it reached the market it was uncompetitive.

'The ability to launch new products quickly, with simultaneous world-wide introduction of localised versions - that is the goal,' says Forsyth.

In the past, Apple introduced products in the US while announcing shipping dates of several weeks or months later in other parts of the world. With this week's product introduction Apple has made some headway. 'Almost all' European countries have localised versions of the new Macintosh this week. Japan and other Asian countries will have their own language versions within a few weeks.

Like other leading electronics manufacturers, Apple aspires to the goal of 'customer-driven manufacturing' - the ability to respond flexibly and quickly to customer demands. The task is made infinitely more complex by the increasing number of 'options' offered on products. Apple currently builds no less than 1,200 different configurations of its products. At its factory in Cork, Apple configures generic versions of its products for European markets. Currently, incoming orders take three days to ship. By the end of the year, it will be just two days, Forsyth predicts confidently.

Ultimately, Apple sees customer-driven manufacturing providing it with a long-term competitive advantage. The company's new 'mission statement' is that Apple should 'never fail to deliver high-quality, cost-effective personal computers when our customers want them'.

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## BUSINESS AND THE ENVIRONMENT

The last insults are being polished, the final arguments glossily videotaped, as a deeply divided California prepares to vote on the world's most sweeping environmental initiative - a package of reforms which could have economic repercussions far beyond the state.

On November 6, the same day they elect a new Governor, Californians will decide the fate of Proposition 128, more generally known as "Big Green".

The initiative, promoted by an alliance of environmental groups and liberal politicians, aided by a generous sprinkling of Hollywood stars, is an extraordinarily broad assault on environmental pollution.

It would attack agro-chemical risks in food by banning those pesticides "known to cause cancer or reproductive harm"; it would combat the greenhouse effect by mandating a 20 per cent reduction in Californian carbon dioxide emissions by the year 2010; it would protect the earth's ozone shield by speeding up the internationally agreed phase out of chlorofluorocarbons and other damaging chemicals; it would ban offshore drilling for oil in state waters, save the ancient redwood forests and require that a new tree be planted for every 500 square feet of commercial or residential development.

The impact on the Californian economy would be dramatic. As a study from the Bank of America points out: "Nearly every aspect of the way we live will be affected, including the food we eat and the way we get from place to place."

There would be a wider knock-on effect as well. California has long been on the cutting edge of the environmental debate and passage of Big Green might spur other US states, and eventually other countries, in a similar direction.

But a "yes" vote is far from certain, for the initiative is being opposed by a powerful combination of business and political interests which argue that Big Green is well-meaning but utterly misguided - a messy omnibus measure which has been poorly thought through and will impose enormous and unrealistic costs for minimal benefits. It is, they add, a partial and local solution to problems which require international initiatives.

That message seems to have been earning converts, despite the endorsement of Big Green by Dianne Feinstein, the Democratic candidate for Governor, in a television advertisement full of billowing smog and sewage-strewn beaches. For latest opinion polls suggest that the proposition's early advantage has been sharply reduced, if not eliminated altogether.

When the debate gets beyond personalities and raw appeals to emotion, the central issue is the thorny old problem of weighing up the relative economic costs of the initiative against benefits which, by their nature, are much harder to quantify.

Martin Dickson watches as Californians prepare to vote on an environmental initiative which will change their lives

## Big Green's chances of a clean campaign



However, in this case, even the economic costs are impossible to gauge with any accuracy. This is in part because of the sweeping and very general nature of some of the measures. But there are many other unknowns, including the precise definition of some clauses, the attitude of the state in implementing the measure, the role of the courts in ruling on the inevitable challenges, and the extent to which 128 complements or conflicts with environmental policy in other states and countries. There is also a question mark over the degree to which technological change might alleviate the burden.

So economists - be they for Big Green, against or neutral - have come up with costs which are billions of dollars apart. Whatever the precise sum, most of the studies show that Californians will have to pay a high price for their cleaner environment. "Economic growth will be slower, the cost of living will be higher, and some major industries may become less competitive," says the restrained Bank of America report.

The most costly measures would be those controlling carbon dioxide emissions, which set extremely ambitious targets and a very short-time scale in which to achieve them. This would have a profound impact on the transport and power generation industries, which together account for roughly

two thirds of the state's CO<sub>2</sub> output.

Many economists say the price of petrol would have to rise sharply to discourage motorists from using the roads - not an easy task in a state where people drive everywhere and public transport is minimal. At the same time, choice of cars could be restricted to models with very high fuel efficiency. Power station costs - and therefore fuel bills - might also leap upwards as utilities encouraged energy saving and invested in alternative sources of power. Ironically, this hunt could include nuclear energy - which is anathema to most environmental groups.

However, backers of Big Green suggest that there is still great untapped potential for energy saving in California. This, coupled with technical advances in automobile fuel efficiency, makes the targets attainable.

Yet the wider question is whether the benefits of cleaner local air outweigh costs which will make the state less competitive in many industries than its rivals. Furthermore, while California's war on the greenhouse effect would give the world a strong moral lead, it would have only a minimal impact on global warming, with a 20 per cent CO<sub>2</sub> cut estimated to reduce world output by less than half a percentage point.

Particularly fierce debate over 128 has raged around the agriculture

industry, which would be affected severely. The sector has long been one of California's great success stories - it is the most productive farming state in the US, growing a remarkably wide range of 260 crops.

However, the industry's use of chemicals has provoked increasing concern among consumers and state regulation has been progressively tightened. Big Green would go a great deal further by banning from the start of 1996 pesticides with an "active ingredient" - in other words, the ingredient that kills insects - which are "known to cause cancer or reproductive harm". It also sets up a \$20m fund for research into alternative farming techniques to replace banned pesticides. Supporters of the measure say farmers need to be weaned off pesticides and this will force the pace of technological change.

About 20 pesticides would be directly affected, but opponents of Big Green argue that many more chemicals - up to 80 or 75 per cent of those used by farmers - could be involved. These, they argue, could fall under a provision of Big Green banning cancer-causing "inert" ingredients - the chemicals used to carry active ones - in just two years' time, and under clauses defining active ingredients in a particular way.

Like farmers elsewhere, Californians use chemicals intensively

because they mean cheaper production costs - in the post-war period chemical prices in the state have doubled, while labour costs have risen fivefold - higher yields and a more consistent, attractive-looking product with a longer shelf life.

The industry recognises that it needs to reduce this dependence. This is partly because of consumer worries over the effects on the environment and on food safety, partly because of concern over the health of farm workers and partly to reduce costs.

The farmers' central complaint against Big Green is that it goes too far too fast. On food safety, in particular, the industry argues that the initiative plays on human fears and ignores a basic principle of toxicology - that the risk from exposure to a substance depends on the dose and not simply the presence of the substance. They point to a list of scientific studies suggesting that the practical risk of getting cancer from pesticides is extremely small.

Big Green, they say, will greatly increase costs, lower yields, and place the Californian farmer at a grave competitive disadvantage to rival US states and foreign countries - such as Mexico and Chile - which have far more liberal regulations.

Furthermore, elimination of some fungicides could actually raise cancer risks, promoting the growth of naturally occurring carcinogens, while the banning of other pesticides would force farmers to use alternatives far more intensively.

The critics also argue that, paradoxically, the chemicals targeted by Big Green could severely disrupt the main alternative to heavy pesticide use. This is called integrated pest management and combines careful use of chemicals with predator insects which kill off pest bugs.

To counter Big Green, the farm lobby has come up with its own initiative, dubbed Big Brown, which takes a more gradualist approach to pesticide removal. If both propositions get more than 50 per cent of votes, the more popular of the two takes precedence.

Pity the poor Californian voter who tries to make sense of these and some 18 other propositions on next month's ballot. The background pamphlet issued to electors runs to over 140 pages, most of it dense legalese.

That is prompting more and more Californians to ask whether the referendum - introduced in the state in 1910, but only important in the past 15 years - is a sensible way to make policy or whether it undermines representative democracy, with its lengthy expert debating of issues and hard-won compromises.

By contrast, proponents and opponents of Big Green are engaged in a last-minute battle to woo the floating voter who could make or break the proposal. The line of an immensely complicated and profound economic weight, may come down to the popular appeal of a glamorous actress in a 30-second video clip.

## Calls for a global raid on pollution

By David Thomas

Business will face increasingly tough environmental demands in the UK no matter which party wins the next general election. That much is clear from the publication on Monday of the Labour Party's proposals for the environment.

At the main political parties in the UK are now committed to tightening the environmental screw on business. The government's White Paper, published last month, set out a host of ways in which companies could improve their environmental performance.

Among the steps demanded of senior managers by the White Paper were a review of "all aspects of the business that may affect the environment, including products, design, development and production and the impact of their use and disposal", production processes (emissions, waste management and opportunities for recycling), energy use, building construction and management, transport and distribution, services and public relations (including the possibility of corporate sponsorship of environmental groups).

The White Paper is dotted with hints that government action might be necessary if business does not react of its own volition by, for example, boosting the quantity of waste products that are recycled. For its part, the Labour Party has by common consent produced more stringent environmental proposals than the government's, though whether this stringency is justified will remain a matter of fierce controversy.

Meanwhile, the Liberal Democrats have positioned themselves as greener than either the Conservative or Labour parties, thus ensuring that environmental issues will feature strongly whatever the outcome of the next election.

Many of the most important pollution problems are global, demanding a worldwide response. Quicker deadlines for phasing out ozone-depleting chlorofluorocarbons (CFCs) issued in June are one example. Another is the mounting international pressure to curb emissions of

greenhouse gases, notably carbon dioxide. Even at a regional level, more ecological initiatives are formulated on a cross-border basis. International programmes to clean up polluted seas or rivers, for instance, are becoming commonplace. The European Commission has made its environmental mark with proposals ranging from legislation for less polluting car engines through to stricter controls on waste disposal.

These developments translate themselves into costs and opportunities for business. Costs because in reacting to tougher CFC timetables, for example, a host of industries from refrigeration makers through to semiconductor manufacturers will have to adapt their production processes. Opportunities because the chemical company which is first to make the next generation of post-CFC compounds could find itself with a huge competitive advantage.

The costs and opportunities of a greener environment are converging for companies throughout the world. Ecological disasters on the scale confronting most East European countries have prompted action from companies located in Europe, North America or Japan.

Moreover, governmental action is not always the most powerful force shaping companies' environmental strategies. The awakening ecological consciousness of employees and consumers, together with growing concern among investing institutions and insurance companies about environmental risk, are often more important factors.

The new weekly FT page on business and the environment will address these issues. The focus will be on how specific companies throughout the world are responding to the new environmental pressures. The intention is to alert business people to the new environmental agenda as and when it develops.

\*An Earthly Chance, Labour Party, Whitehall Road, London SE17 2EJ.  
\*\*This Common Inheritance, British Environmental Strategy, HMSO, £34.50.



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New Issue

This announcement appears as a matter of record only

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## INTERNATIONAL OIL INDUSTRY

The Financial Times proposes to publish this survey on:

9th November 1990

For a full editorial synopsis and advertisement details, please contact

Ian Ely-Corbett  
on 071 873 3389

or write to him at:

Number One  
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FINANCIAL TIMES  
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Handwritten note: JPL/10/15/90



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#### DIVIDEND NOTICE

At the Annual General Meeting held on September 25, 1990, it was decided to pay a dividend of USD 0.82 (82 cents) per share on or after October 30, 1990 to shareholders of record on October 6, 1990 and to holders of bearer shares upon presentation of coupon No 16.

Paying Agents:

BROWN BROTHERS HARRIMAN (LUXEMBOURG) S.A.  
88, Boulevard Prince Henri  
L.P. 403  
L-2014 LUXEMBOURG

KREDBANK S.A. LUXEMBOURG  
40, Boulevard Royal  
L-2005 LUXEMBOURG

## COMPANY NOTICES

### NOTICE TO HOLDERS OF THE BONDS OR THE WARRANTS OF

#### CITIZEN WATCH CO., LTD.

- (1) U.S.\$50,000,000 3 per cent. Convertible Bonds 2000 (the "Bonds"), and
- (2) U.S.\$50,000,000 3 1/2 per cent. Guaranteed Notes due 1991 with Warrants (the "Warrants")

Pursuant to the trust deed dated 28th March, 1985 and the Instrument dated 6th May, 1986, under which the Bonds or Warrants were issued, notice is hereby given as follows:

The Board of Directors of Citizen Watch Co., Ltd. resolved that the new notes with Warrants be issued on 1st November, 1990 the initial subscription price of which is less than the current market price calculated as provided in the above-mentioned trust deed or instrument.

As a result of such issuance, the conversion price of the Bonds and the subscription price of the Warrants will be adjusted effective as from 1st November, 1990. Notice of the adjusted conversion price and subscription price will be made on or after 1st November, 1990.

#### CITIZEN WATCH CO., LTD.

By: THE DAI-ICHI KANGYO BANK LIMITED, LONDON  
AS PRINCIPAL PAYING AGENT FOR BONDS

THE MITSUI BAIYO KOSHI BANK LIMITED, LONDON  
AS PRINCIPAL PAYING AGENT FOR WARRANTS

## LEGAL NOTICES

### THE BRITISH FELLOWSHIP

(The Institute of Professional Engineers, Registered as a company in accordance with the Companies Act 1948)

As required by the Regulations governing the Fellowship, the following is a list of the names of the members of the Fellowship who have been elected to the office of President for the year 1990-1991.

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## FT LAW REPORTS

# Sugar must be ready to load

COMPAGNIE COMMERCIALE SUCRES ET DENRÉES v. CZARNIKOW LTD  
House of Lords (Lord Brandon of Oakbrook, Lord Ackner, Lord Oliver of Aylmerton and Lord Jauncey of Tullichettle);  
October 11 1990

THE SELLER under an L.o.B. contract incorporating the rules of the Refined Sugar Association, must have such sugar as is called for by the buyer available for loading without delay or interruption as soon as the vessel is ready to load; and failure to have it available immediately is a breach of condition entitling the buyer to treat the contract as at an end.

The House of Lords so held (Lord Brandon dissenting) when allowing an appeal by buyers, C Czarnikow Ltd, from a Court of Appeal decision (Lord Justice Kerr dissenting), *FT July 26 1989*, that the sellers, Compagnie Commerciale Sucres et Denrées, were not in breach of condition under a contract for the sale of sugar.

LORD ACKNER said that on December 11 1986 the buyers contracted with the sellers on the Assau Sugar Contract No 2 form, for the purchase of 13,000 metric tonnes of white crystal sugar on L.o.B. (free on board) stowed terms.

Delivery was to be to one or more vessels presenting ready to load during May/June 1988, buyer to give seller not less than 14 days notice of expected readiness to load.

The contract incorporated the rules of the Refined Sugar Association.

Rule 11 provided that in L.o.B. stowed contracts the buyer had the option of taking delivery in one or more lots during the contract period.

Rule 14 provided (1) that that in L.o.B. stowed contracts "the seller shall have the sugar ready to be delivered to the buyer at any time within the contract period", and (2) that the buyers "having given reasonable notice, shall be entitled to call for delivery of the sugar between the first and last working day inclusive of the period of delivery".

On May 15 the buyers gave notice to the sellers for the Mazon to lift full contract

quantity estimated time of arrival Dunkirk 29/31 May 1988. The vessel presented for loading on May 29, but despite repeated calls by the buyers the sellers did not have the sugar ready to be delivered.

On June 3 the buyers teleaxed the sellers, holding them to be in default for not having provided the cargo, and informing them they were treating the contract as terminated.

The sellers contended they had until the end of the delivery period (May/June 1988) to deliver and that the termination was invalid.

The buyers claimed the difference between the contract price and market price on June 3, and for loss of despatch. The arbitrators found in their favour on both of the claims.

In their award they stated that the effect of rule 14 was that the sellers should have had the sugar ready to be delivered at any time during the contract period, and that the buyers having given reasonable notice were entitled to call for delivery between the first and last working days inclusive of that period.

They came to that conclusion because: time of delivery was of the greatest importance in commercial contracts; the rule 14 wording, "the seller shall have the sugar ready to be delivered", was emphatic; the reason the buyers must give reasonable notice was that it enabled the sellers to perform their very important obligation to ensure the sugar was available for commencement of loading; demurrage would not be adequate compensation because it was important to the buyers that cargo should be available as called for, to fulfil onward commitments.

The first question was whether rule 14 imposed on the sellers an obligation to have the sugar available to begin loading immediately on the ship's arrival after proper notice of readiness to load the sugar.

It was common ground that rule 14(1) should be construed against the background of the general law relating to L.o.B. sales, and in the context of the rules.

Rule 14 was concerned with "the sugar" specified in a "notice... calling for delivery". In view of the buyers' option

in rule 11 it was clear that "the sugar" must refer to the entire contractual quantity, or to any lesser quantity for which the buyers might have called if they had exercised their option of taking delivery in one or more lots.

In context, "ready to be delivered" meant that the sugar must be available for loading without delay or interruption in the event that the vessel was able to start loading at once and to continue without interruption.

The requirement was to have the sugar ready to be delivered at any time within the contract period, not "at all times". The particular time was when the vessel duly nominated by the buyers presented herself ready to load the agreed cargo.

Correctly interpreted, rule 14(1) could be restated: "The seller shall have the sugar called forward available for loading without delay or interruption as soon as the vessel is ready to load the cargo in question."

The reason for the rule's existence was clearly expressed by the arbitrators in their award: "Contracts... are often concluded with a reasonably long period of delivery and at a price which presupposes the buyer's right to call for delivery at any time having given reasonable notice."

This is a valuable option which the buyer would lose if the seller were entitled to deliver whenever it was willing and able... within the delivery period. This would turn a buyer's option into a seller's option."

On its proper construction rule 14 imposed on the sellers an express additional obligation of which they were in breach by June 3.

The second question was whether the obligation imposed by rule 14(1) was a condition of the contract.

In *Europe v. Tradax* [1987] 1 W.L.R. 711, Lord Wilberforce, having stated that the courts should not be too ready to interpret contractual clauses as conditions, said that "in suitable cases the courts should not be reluctant... to hold that an obligation has the force of a condition, and indeed they should usually do so in the case of time clauses in mercantile contracts".

"This was a mercantile contract and rule 14(1) could prop-

erly be described as a "time clause".

It imposed an obligation to have the goods called forward available for loading at a definite time - at the expiration of notice of expected readiness to load, and as soon as the vessel presented herself ready to load within the contract period.

In *Bunge Lord Lowry* observed that the treatment of time limits as conditions in mercantile contracts appeared to be "a practical expedient founded on and dictated by the experience of businessmen".

In the award the arbitrators considered rule 14 as being "of the utmost importance" and that under the rule the buyers were entitled to prompt delivery so that the cargo would be available to fulfil onward commitments.

Evaluation by this experienced trade tribunal of the commercial significance of rule 14(1) was wholly justified. Rule 14(1) was crucially important to the buyers, since it removed the risk that absence or insufficiency of cargo would cause delay.

It ensured to a very large extent that loading would be promptly commenced and speedily carried out and thus enable buyers punctually to perform their own obligations to their customers.

The rule tended to provide certainty, an indispensable ingredient of mercantile contracts.

The appeal was allowed and the award of the Council of the Refined Sugar Association was restored.

Lord Bridge, Lord Oliver and Lord Jauncey agreed.

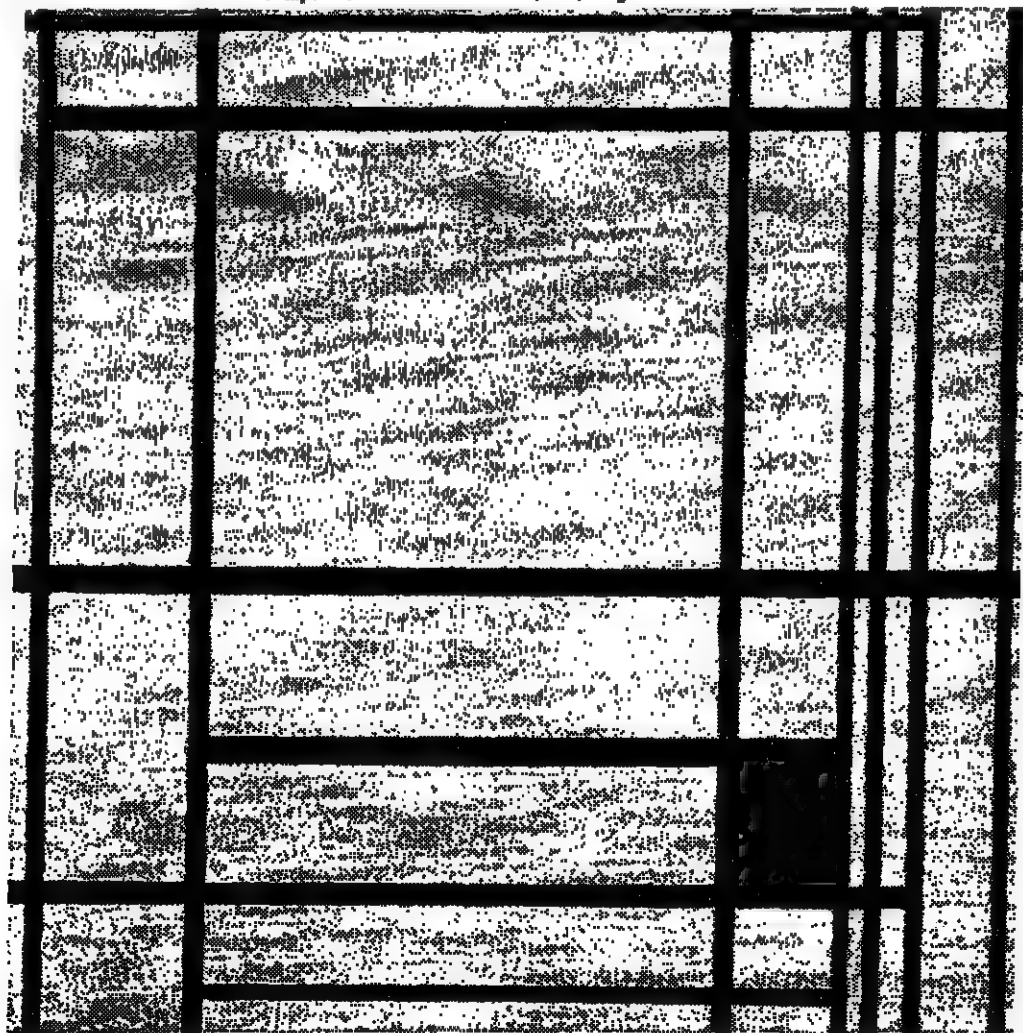
LORD BRANDON agreeing on the first question but dissenting on the second said that the contract treated breaches of other contractual obligations which would also cause delay as breach of warranty, not condition. The logical way to interpret the contract with its incorporated rules was to classify all obligations, breach of which would cause delay in loading, in the same way, as warranties.

For the buyers: David Johnson QC and Duncan Mathews (William A. Crump).

For the sellers: Martin Moore-Bick QC and Stephen Miles (Richard Butler).

Rachel Davies  
Barrister

Composition with blue, Mondrian, 1937, Haags Gemeentemuseum.



© Mondrian, 1937, Haags Gemeentemuseum.

In banking, as in art,  
a clear concept  
can make all the  
difference.

The Dutch artist Mondrian spent more than 20 years refining a style of painting he called neo-plasticism. Similarly, Rabobank carefully defined and refined its own style of banking. As the Dutch economy and industry grew, so did Rabobank, becoming the largest domestic bank. Today, with total assets of US\$ 90 billion, Rabobank is one of the top 50 banks in the world, with offices in major financial centres and ports around the globe, active in financing agribusiness, commodities and in every aspect of international banking. And we still have our own clear, long-term view of client relationship, based on commitment, dedication and trust.

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**The Art of Dutch Banking**

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New York, Dallas, San Francisco, São Paulo, Caracas, London, Antwerp, Paris, Luxembourg, Zürich, Milan, Madrid, Singapore, Hong Kong, Jakarta, Sydney, ADCA-Bank (Frankfurt, Berlin, Düsseldorf, Hamburg, Hanover, Munich, Stuttgart).

10/15/90



Meeting your network systems challenges.

# Today.

Today, Alcatel is unquestionably the world leader in Integrated Services Digital Networks.

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## FINANCIAL TIMES

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## A warning on credit

MR Alexandre Lamfalussy, the general manager of the Bank for International Settlements (BIS), the central bankers' central bank, can safely be relied on to weigh his words when discussing the stability of the international financial system. His remarks on Monday about the risk of an international credit crunch will therefore have attracted widespread attention - not least because central bankers are more usually prone to warn about the inflationary implications of credit creation than the risk of credit contraction.

The ritual warnings about the need to confront inflationary pressures were, of course, all there. But Mr Lamfalussy has given expression to a fear that has worried economists and private bankers for more than a decade. The problem is to assess the scale and nature of the risk, and the appropriate policy response.

At first glance the credit problems of the developed world appear highly diverse. At one end of the spectrum are Germany, where the actual and potential demands on the banking system arising from unification are considerable, is minimal. At the other extreme, the US where recession appears imminent, poses an immediate concern.

While credit growth has not actually turned negative over the past year, there has been a marked slowdown in response not only to the real estate problems of the savings and loan institutions and the banking system more generally, but to a dearth of good private sector borrowers. After an exceptionally long recovery and the completion of a substantial one-off adjustment on the liability side of the balance sheet as a result of financial deregulation, a slowdown was inescapable. What is new, in recent weeks, is the extent of the deterioration in confidence among bankers and businessmen.

In Japan, meantime, there is not, as yet, a perceptible loss of confidence among lenders, but the capital of the banking system has been sharply eroded by the collapse of asset prices. Since the banks are finding it

harder to raise capital in the market there has inevitably been a tendency to shrink the size of loan portfolios. That problem has been further exacerbated by the BIS's capital adequacy rules. As for Britain, after entry into the exchange rate mechanism, the risk for policy lies more on the side of a credit boomlet in housing as interest rates come down.

## Global stresses

Some of the stresses in the system are genuinely global: inflationary pressure from the oil market and a potential capital shortage that is already inflicting high real rates of interest are two obvious cases in point. Another is what Mr Lamfalussy delicately refers to as the "push" surrounding the lack of commercial judgment shown in banks' borrowing and lending decisions and the "apparent propensity of the banking system to make repeated mistakes on a rather grand scale". The problems that banks across the world are experiencing with over-indebted customers in real estate will clearly become more worrying if recession further impairs the ability of debtors to service their debts.

The difficulty with the problems which remain local is that globalisation has turned the banking system into an uncomfortably efficient engine for transmitting trouble across national boundaries. This is particularly true of the Japanese banks, whose international claims nearly quadrupled to \$1.75tn in the five years to 1988. Any contraction in Japanese international banking assets, which now account for 38 per cent of the total, is potentially threatening.

Yet the burden of policy adjustment should not lie exclusively with monetary responses. Monetary restraint in the US is unlikely to achieve much against a background of deteriorating confidence. The more obvious need is for micro-economic reforms to reduce the vulnerability of the banking system. Elsewhere credit contraction remains a risk, rather than a reality. At the end of last resort facilities for failing banks should, as ever, be made available only where a systemic shock is a real possibility.

recommended other measures to increase consumer choice. The MMC's goal was debatable. The extent of concentration in British brewing is low by international standards, the choice of beers wide, and the effect of vertical agreements on competition ambiguous.

## Contradictory objectives

At least the MMC's goal was correct. Rooting out anti-competitive practices is the proper role of competition policy. But the MMC also wished to promote (or preserve) an ideal model of the brewing industry - local, decentralised and regionally differentiated. Its recommendations were designed to move the structure of the industry in that direction.

These two objectives have turned out to be contradictory. The "local" pub existed because tied houses are profitable for national as well as local brewers. Once the link is broken, brewers are forced to compete in the national, and increasingly international, market for branded beers. Tied pubs, now allowed to take a guest beer, often prefer nationally advertised brands to local brews. Regional breweries, forced to choose between pubs and brewing, frequently choose the former.

If the MMC was right in its belief that vertical links were the problem, the replacement of medium-sized brewing and retailing outfits by large, and relatively independent, breweries and retail companies is a welcome development. Companies reacting correctly to the new regulatory environment in a way which maximises their competitive advantage.

The five-year limit on the guaranteed purchase of Courage beer and the limit of 25 per cent on pub ownership in any one local licensing district are both sensible and consistent with the new competitive environment the MMC has introduced. But the distinction between a 20 per cent share of UK brewing and the 15 per cent demanded by the MMC is nonsensical, not least when Bass already has more than 20 per cent. That the development towards large brewing and retailing concerns does not fit some ideal model of the industry should be of no concern.

The British political summer - to stretch the season a bit - opened with Mr Nicholas Ridley being obliged to resign as trade and industry secretary for expressing his fears about German hegemony in the European Community. It ended with Britain joining the exchange rate mechanism of the European Monetary System, while ministers from Mrs Margaret Thatcher downwards protested that there was no inescapable movement towards full British participation in economic and monetary union. The word "sovereignty" has never been far from political lips.

The arguments are not new. If one goes back to the mid-1950s and the British refusal to play a full role in the Messina Conference, which led to the Treaty of Rome, there have been two continuing developments. One is the reluctance of British governments of either party to accept that European integration is something to be sought after rather than sniffed at. The other is that the process of integration has tended to go ahead regardless. Britain has been left trying to slow it down or trying to catch up.

The question of sovereignty has riven British politics for more than 30 years. First it was the Labour party that was the more obviously divided. Mr Hugh Gaitskell, seemingly so modern on so many subjects, said of possible British membership in 1962: "It means the end of a thousand years of history; it means the end of the Commonwealth... to become just a province of Europe."

At that time Britain was making its first application under Harold Macmillan and was vetoed by General de Gaulle. By the mid-1960s, when Mr Harold Wilson was prime minister, it was a Labour government that decided that Britain's future lay in Europe after all. There followed what amounted to the second French veto.

For years after, splits on Europe did as much as any other single factor to keep the Labour party divided. They were a prime cause of the breakaway from the party, and the formation of the Social Democrats by Lord Jenkins, Dr David Owen, Mrs Shirley Williams and Mr William Rodgers. Arguably, the divisions on Europe helped to keep Labour out of office for more than a decade; at the very least, they served to show what a disunited party Labour was.

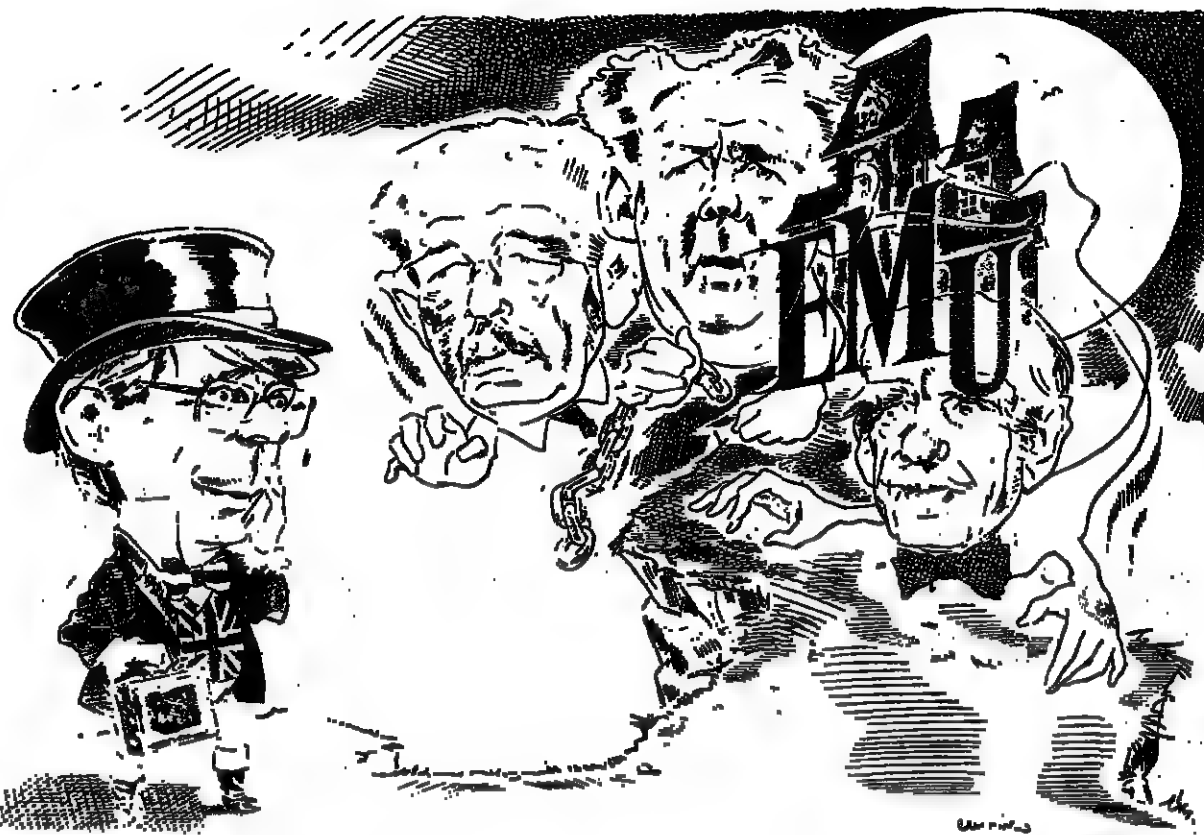
Yet the Conservatives have not always done much better. The Tories were never wholly the party of Europe; they just seemed more so than Labour. A significant number of Tories was opposed to British entry in the first place. The party lost Mr Enoch Powell on the way to Brussels, and the legislation required for accession in the parliamentary session of 1971-72 went through only with the help of some pro-European Labour MPs. Conversely, when the Labour government held a referendum on continued membership in 1975, it was dependent on all-party support to secure a yes vote.

Thus British membership has never been quite a Tory/Labour or left/right issue. Very broadly, the centre is for it; the extremes are against it. It is a long time since that was a simple thing to say. And the centre has been about membership itself, but the debate on sovereignty contains many of the old elements.

That is what is meant by incommensurability. Britain starts by opposing, or not noticing, and ends by going along. It is worth going back to before the Rome Treaty to show how little has changed in respect. In June 1950 when the Schuman plan for the European Coal and Steel Community was unveiled, Jean Monnet, one of the founding fathers of the European Community was asked by Sir Stafford Cripps, the chancellor of the exchequer, whether France would go ahead with Germany and without Britain. Monnet replied: "My dear friend, you know how I have felt about Britain

## Malcolm Rutherford considers whether Britain's long resistance to European integration was worth the effort

## Never quite able to catch the bus



for 30 years... I hope with all my heart that you will join from the start. But if you don't, then we will go ahead without you; and because you are realistic you'll adjust to the facts when you see that we've succeeded." Britain turned down the invitation, but the Coal and Steel Community took off. The same thing happened when it came to preparations for a common market. Britain was asked to be a full participant in the Messina Conference of 1955 on any terms and without preconditions. The government responded by sending an



## SOVEREIGNTY

observer, Mr Russell Bretherton, an under-secretary at the board of trade. When Mr Bretherton reported that something important seemed to be going on, no one in London took any notice. Britain dropped out of the subsequent discussions altogether and the final decision to go ahead with the Treaty of Rome was taken by the original six members in Venice in the spring of 1956.

The story has no British heroes, not even the Foreign Office. British diplomats repeatedly advised that France would never sign a treaty with Germany without British participation. They were wrong. Some of the most prominent British cabinet ministers expressed sympathy for the European idea in principle, but always backed off when it came to putting it into practice.

It was Anthony Eden as prime minister who vetoed full British participation at Messina. Rab Butler, the chancellor of the exchequer, gave the brush-off to Johan Beyen, the Dutch foreign minister who came to London to tell him what was on offer. "I got very bored with him," Butler said afterwards, "and so did everybody else... He was a very pushing man. And he was always telling you what to do, I was sort of rather looking to the biggest nations."

Harold Macmillan, then foreign secretary and the man who subsequently accepted the inescapable logic of British and European, showed no interest at that time. He turned down the invitation to join the meeting of foreign ministers to review progress on what was to become the European Community in the Netherlands in September 1956.

Apart from history, there was one possible excuse for British indifference. In the mid-1950s the national economy was going through a halcyon period: problems on the horizon perhaps, but considerable economic growth. There was no obvious reason, in Butler's words, "to get on to the new horse". Hardly anyone criticised

him then, though Butler admitted his error before he died.

To come closer to the present it is possible that the economic growth that Britain experienced in much of the 1950s again acted as a deterrent to closer European integration. Mrs Thatcher challenged the Community on the common agricultural policy, the size of the British budgetary contribution and the handling of Community spending in general. On all those matters she had some success.

Meanwhile, the British economic recovery seemed to imply that

There was one possible excuse for British indifference. In the mid-1950s the economy was in a halcyon period and there was no obvious reason 'to get on to the new horse'.

national independence could be reasserted. A country that was no longer cripplingly tied to the IMF and had rolled back the frontiers of the state at home was not disposed to accept a new dominance from Brussels - to paraphrase the prime minister's Bruges speech in September 1988.

In domestic political terms, that was one of the most important speeches Mrs Thatcher has made. It led to the formation of a Bruges

Group outside parliament to uphold British sovereignty. There is now a Bruges Group in parliament as well and almost certainly a large Bruges majority in cabinet.

Yet the speech overlooked several factors. One is that high British growth does not last indefinitely; it tends to end in tears. Another is that while growth in the continental countries may slow down from time to time, it picks up again from a much higher base than the British. A third is that the demand for closer European integration on the continent continues. Ultimately Britain goes along.

The report of the Delors Committee on economic and monetary union is a perfect illustration. It was commissioned by the European Council meeting in Hanover in June 1988, just at the time when Mrs Thatcher seemed to be scoring high marks for controlling Community spending. The prime minister had no choice but to go along with it. Neither had Mr Robin Leigh-Pemberton, the governor of the Bank of England, who with the other European central bank governors became a member of the committee.

Whatever the governor's private thoughts on British sovereignty may be, there was no way in which he could sit on the committee in splendid isolation. If he had set himself apart, how could he have faced his fellow governors at the monthly meetings of the Bank for International Settlements in Basel?

Mr Leigh-Pemberton has said that the Delors report was about "how" rather than "whether or when" economic and monetary union might be achieved. Yet, as the former chancellor, Mr Nigel Lawson, has acknowledged, the report is a political document which says that economic and monetary union is a desirable aim. It would be unwise to think that continental Europe will lightly abandon it.

This month Britain finally joined the exchange rate mechanism of the existing European Monetary System, which is part of the first stage of a three-part movement to a full European monetary union. There is no reason to believe, however, that the government did this out of a sudden conversion to European integration. One reason was domestic: outside ERM it would be harder to bring down British interest rates without risking a precipitate fall in sterling. Another is tactical: non-membership of the ERM would have made it even more difficult for Britain to play a full role in the intergovernmental conferences on EMU and political union which are due to start in December. Such conferences are part of the inescapable processes of the Community.

Mr John Major, the chancellor of the exchequer, told the Tory party conference last week that membership of the ERM would not "inevitably" lead to a European single currency, and not even his predecessor believed in EMU. Mr Douglas Hurd, the foreign secretary, is not a European federalist either; not to speak of the prime minister. At the top level, there is only Sir Geoffrey Howe, whose influence in the cabinet has been declining since he was removed from the Foreign Office last year.

Sir Geoffrey spoke last week of missing the European train. Whether it is trains, boats or buses, the metaphor lingers on. On Europe Britain always misses them and is obliged to catch up. The difference over the years is not only that Britain is a lesser power than it used to be, and might have been had it joined the Community at the start. Although the conversion may prove to be skin-deep, Labour has become the European party. It is the Tories who are more divided. If they were to lose the next general election, they might even split. And whoever wins, it seems likely that membership of the ERM, like membership of the Community itself, is here to stay. Was the resistance worth the effort?

## A car for all reasons

■ You can't keep a good design down. The ubiquitous Mini car was so much the image of the British in the 1960s that many middle-aged people today cannot see one without shedding a silent tear for their vanished youth.

Now the image of the zippy Mini outpacing larger rivals on the racetrack, and beating all rivals into city centre tight parking spots, has been revived in spectacular fashion in the Japanese marketplace. While American auto makers have struggled to sell their oversized limousines to the Japanese, the Mini is finding there what every product wants in life - a comfortable market niche.

Fructified by its success with the Mini in Japan, Rover has decided to sell not only the reborn sporting derivative, the Mini Cooper, but also the world's first turbo-charged Mini.

The full name is "the Rover Mini ERA Turbo" - which is enough to give it a cachet before it even leaves the garage, I would say.

The turbo-charged Mini for Japan is definitely a car to be seen in. It comes in just two colours - either flame red or British racing green. With fog lamps, Connolly leather seats and dashboard, and a blacked-out grille, it is a stylish little beast and it does not come cheap at ¥3.58m (£14,350).

Peter Woods, president of Rover Japan, says that the turbo Mini will extend the appeal of the car at the top end of a lucrative market, and will provide value-added for the car's sales generally.

More than 10,000 Minis have been sold in Japan so far this year.

Buyers tend to fall into two distinct groups. There are young things in their 20s who have a healthy disposable income and an inclination to

buy something a little bit different.

And there is the fashionable set - dress designers and the like - which has taken to the Mini as a "funny" car and adopted it as a style symbol.

Rover is not building the clever new Mini itself. The car has been developed by the Jack Knight Group, which specialises in such components as virtually indestructible racing car gearboxes, and is being put together by ERA.

## Moscow market

■ A Russian Orthodox priest, sprinkling holy water, blessed a new Moscow commodity exchange yesterday in a ceremony at the Moscow headquarters of the economic bloc Comecon.

The ritual revived an ancient Russian tradition that new enterprises receive a church blessing prior to opening.

The new Moscow exchange follows the opening last month of Russia's first functioning commodity exchange. Organisers say this second exchange will be bigger and different because it is not controlled by the government.

The new Moscow Commodity, Raw Material and Stock Exchange, as it is called, is a joint stock company, resembling an auction or a clearing house for physical goods. It is a far cry from the sophisticated commodity markets of the west. It is seen as representing a return to the mercantile traditions of Russia's pre-revolutionary past.

Ironically, the Comecon hall, with a makeshift altar at centre stage yesterday adorned with candles, was once the scene of talks between eastern European communist leaders defending their faith in central planning.

Russia's first commodity exchange opened in Leningrad in 1703. By the beginning of

## OBSERVER



the First World War there were 115 commodity and stock exchanges operating.

The new Moscow commodity exchange will probably conduct its business in a museum located between the KGB security police headquarters and the offices of the Central Committee of the Soviet Communist Party.

Exchange sponsor Konstantin Borovoi says any commodity can be traded, from cement to washing machines, grain, computers and industrial machinery. "Stock exchanges are practically absent from our country. People are living without an exchange. They cannot live without it, but they still do," he says.

Stamina ■ Billionaire Kerry Packer, aged 52, Australia's richest man, just 8 days after collapsing during a polo game, he has taken legal action "to protect his reputation". He is suing

the government-owned Australian Broadcasting Corporation (ABC) for defamation over a programme on corporate crime shown in Australia last week.

Packer has begun civil libel proceedings against ABC, managing director David Hill and all members of the current affairs programme's production team. "In view of the serious and damaging content of the broadcast, Mr Packer has also instructed me to pursue criminal libel proceedings against all those involved," says his solicitor, Mark O'Brien.

Packer was involved in a fracas with journalists on Saturday when he was let out from hospital for the day to watch his son Jamie play polo at Warwick Farm, the scene of his collapse.

Doctors have been amazed at the tycoon's powers of recovery. He began conducting business from hospital only four days after his attack.

## House style

■ One technological aid now used by some US newspapers is an editorial computer programme that searches texts for sensitive words which could cause offence. It replaces them with an innocuous synonym.

However, the snags of such a system are shown by the following correction: "An item in the Nation Digest about the Massachusetts budget crisis made reference to new taxes that will help put the state, 'back in the African-American'."

"The item should have ended: 'back in the black'."

## Mostly men

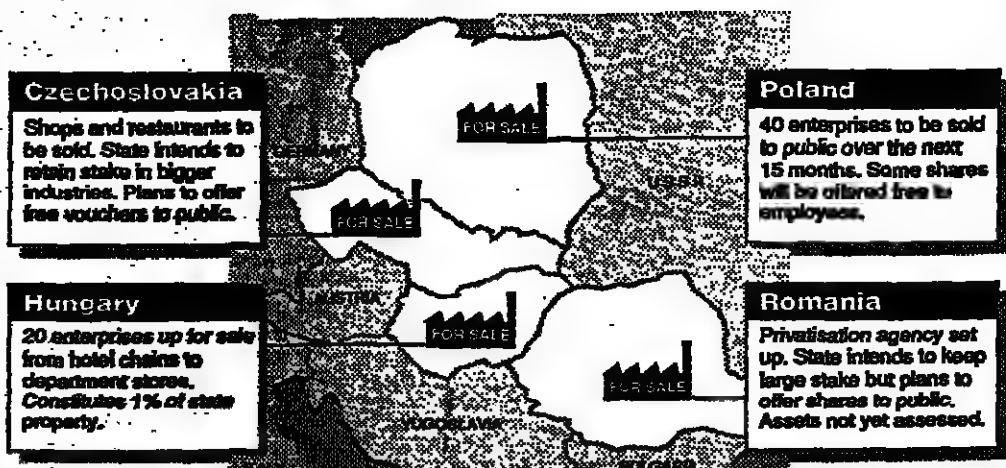
■ Housewives slaving over a hot stove may wonder with reason whether electricity is still a man's world.

There are 120 directors running the area electricity boards which are about to be floated. But only five are women. And they are all to be found among the 51 non-executive directors.



Privatisation is finally under way in eastern Europe, says Judy Dempsey, but problems remain

## Rocky road leads to the market



businesses constitute only 1 per cent of state property. They will be sold through the public offering of shares on the fledgling stock exchange, through competitive bidding or through an employee share ownership scheme.

In Czechoslovakia, despite all the official rhetoric about commitment to a market economy and western optimism that the country would have few difficulties in making the transition, progress has been slow. This is because the government is divided between Mr Václav Klaus, the finance minister, who appears to favour quick privatisation whatever the cost, and President Václav Havel who is more aware of the social and economic consequences of privatisation. The last thing Mr Havel wants is to see the first restaurants, shops and services to be sold to the private sector. He must face the electorate in two years. Pushed by public pressure, a draft privatisation bill was last month presented to parliament.

Czechoslovakia's programme is divided into three parts. In the first, restaurants, shops and services will be sold to the private sector. Individuals whose property was confiscated after the communist takeover in 1945 will have the right to claim back their property within a limited period. The terms of compensation still have to be worked out. In the second, state-owned enterprises will be given the right to buy the

property. What remains will be sold by auction to the public. The second phase will involve large-scale enterprises such as Skoda cars. The state remains determined to retain at least a 20-30 per cent stake in these enterprises because they are regarded as prime national assets. Restrictions on foreign ownership have yet to be clarified.

The third phase envisages a group of state-run enterprises and transforming them into joint-stock companies. To sweeten the pill, Mr Klaus intends to give away vouchers to Czech citizens which will eventually be exchanged for shares. The vouchers will be a vehicle for the transformation of property rights," he told economists at the International Monetary Fund meeting in Washington last month.

In Romania, the government is near to drawing up a comprehensive plan for privatisation. A new draft foreign investment law will allow foreign companies to own 100 per cent of an enterprise. The country's priorities, however, are to maintain stability, dilute the influence of the bureaucracy, feed the population and draw up legislation aimed at defining the role of the state and property rights.

These various privatisation programmes have so far drawn a lukewarm response from foreign investors. Austrian bankers, who have been involved in

eastern Europe for decades, object to Poland's restrictions on converting dividends into hard currency, and its limitations on the stake which foreign investors can hold in privatised enterprises. "Privatisation cannot be carried out overnight," says Mr Anton Burghardt, head of the international department at Gironzente, Austria's second-largest bank.

Different attitudes to privatisation throughout eastern Europe stem from several factors. First, there is the fear of job losses. The economic reforms and privatisation package drawn up by Mr Leszek Balcerowicz, Poland's finance and deputy prime minister, have left thousands without a job. Statistics published by the Polish authorities indicate that more than 10 per cent of the population could be unemployed by the end of the year as reforms bite, state subsidies dry up and enterprises seek to boost productivity.

Second, in Hungary, Czechoslovakia and Romania, politicians and the public are ambivalent about opening their doors to foreign capital. "People fear that the country will be sold off to foreign capitalists," commented Mr Adrian Severin, the Romanian minister in charge of privatisation.

As western advisers are discovering, the reluctance to privatised rapidly and to welcome foreign investment is rooted in traditions inherent in the

political cultures of the region. These traditions owe much to the preponderance of large peasant populations, small middle classes, and the domination of the state. People tend to perceive privatisation as creating vast disparities in wealth and privileges. "Since we allowed people to open up private shops and services a few months ago, these new owners are charging very high prices for low-quality goods. Sections of the population are naturally resentful and only see the bad side of privatisation," commented Mr Severin.

Against this background, the new governments have set themselves the task of painstakingly drawing up laws on privatisation aimed at reconciling the need for attracting foreign investment. Mr Petre Roman, the Romanian prime minister, explains: "The government has literally to start from scratch by drawing up new laws, by evaluating assets, by learning on the job. We have no knowledge of how to turn a socialist economy into a market economy."

Problem areas which need addressing include:

• **Property rights.** Before last year's revolutions most property was held by the state, though the state did not define itself as the "owner". Before privatisation can take place the state must set up institutions to which control of property can be passed before it can be sold.

• **Building an infrastructure.** This entails constructing a banking system, a stable currency, enacting legislation which will enable the free flow of capital in and out of the country, and creating a taxation system.

• **Winning over the population to privatisation and the market economy.** Although these governments promised during election campaigns that the communist centralised economic system would be dismantled in favour of the market economy, they did not explain the social costs of this transition.

Western advisers to the Polish, Hungarian and Czechoslovak governments believe the population can be convinced of privatisation's benefits through safety valves such as social security systems for the unemployed, retraining schemes, and management schools. This is where western governments could play a significant role. "If western financial assistance is not forthcoming, these governments could face popular unrest which could set back the road to the market economy," commented an adviser to President Havel.

Sixth-form education at the crossroads

## Why reform holds no lessons for the able

By Robin Reeve

If the British government wishes to maintain the highest academic and intellectual standards in secondary schools, the system of A level examinations must not be abandoned or diluted. This is an issue deserving the widest debate; any proposals for changing A levels must be subjected to rigorous questioning.

The timetable laid down by the government is this. By the end of this month the School Examinations and Assessment Council will have completed a consultation on its proposed draft principles to reshape the A and AS level examinations. Early in 1991 the principles, approved by the secretary of state, will be committed to the examination boards which will work to produce syllabuses for the first candidates due to sit the examinations in 1994. If the history of A level itself is any guide, we shall then have a 16-plus regime likely to last well into the next century.

There is little sign that SEAC intends more debate than can be wrung from it. The consultation period has lasted a few weeks. In characteristic fashion responses are invited from "representative" bodies through which individuals are directed to submit their views. This procedure can only serve to subvert independent voices.

SEAC is not, of course, entirely its own master. The government is acutely aware of the dwindling number of 16-19 year olds, and wishes to complete another educational reform in the wake of its national curriculum for the 5-16s. The General Certificate of Secondary Education (GCSE) is another factor. It is an exam with a wider clientele than O level. Content has been reduced; assessed coursework, practicals and projects carry a significant proportion of marks. A level has already begun to move in the same direction and will be expected to move further. There is another dimension. Enlightened opinion in education is hostile to A level. That opinion is well represented in SEAC itself and the consultation process is likely to consist of a communion of like minds.

The irony is that the government, knowing that in many eyes A level is an exam of proven quality, rejected the 1988 proposals of Professor Higginson's Committee on "Advancing A levels" to replace it by a new single-level exam in five or six subjects. Higginson could see few virtues in the specialist tradition of A level and even fewer in the government's scheme to add variety to the sixth-form curriculum by introducing AS levels, based on a 50 per cent formula, half the content and half the teaching time of an A level. Amid a chorus of disapproval, Mr Kenneth Baker, then education secretary, shelved Higginson. It was an unexpected act of grace to those of us with a particular interest in the education of the able.

However, a new set of considerations has been introduced into SEAC's brief. Mr Baker's call for national competence has been entrusted to the National Curriculum Council, set up under the Education Reform Act of 1988 to implement a new national curriculum. In hammering out a set of core and foundation subjects, it has sought to identify essential skills as well as so-called cross-curricular themes. Competence is no longer to consist of the mastery of disparate subjects; it is the role of subjects to contribute to skills and themes.

Mr John MacGregor, the education secretary, is enthusiastic about this approach and apparently believes it has a key role to play in a 16-19 curriculum. The main fear about SEAC's present thinking is that it will subvert the government's intention to retain A level as the standard which should prevail in the education of those 16-19 year olds destined for higher education. SEAC seems to share the fashionable distaste for knowledge familiar in countless smearing dismissals of "rote learning".

Instead we are to have an appropriate balance between knowledge, understanding (how do you know what you do not know?) and, of course, skills. The notion of subject "cores" is also warmly embraced, and it is difficult not to relate the hunt for cores to the government's desire to see AS level courses as

embodying "the advanced level standard". A level itself becomes merely the scene of "additional contexts in which students can further develop and illustrate their grasp of the subject". I hope Mr MacGregor is alert to the presence of this particular Trojan horse.

Core skills raise different issues but equally deep anxieties. The first definition of these skills came from the curriculum council but, astonishingly, SEAC now publishes its proposals without any further analysis of skills. Three of the six curriculum council skills consist of extending competence in numeracy, information technology, and a foreign language. These are sound objectives but they cannot be pursued, in equal measure, via all A and AS level courses. If subjects have to be chosen to achieve a spread of skills, the objections are profound.

The other, generalised, skills, ie communication and personal skills, and problem-solving, which must be embedded in every course, range from the platitudinous ("managing one's own learning") to the wholly inappropriate. Problem-solving, for example, consists of "planning, carrying out and evaluating a course of action". This scarcely bears analysis as a description of academic study, though it certainly expresses the contemporary confusion between education and training. A national curriculum council must set itself higher standards.

In addition to core skills A and AS levels will have to carry an agenda of "cross-curricular themes". Syllabuses must clear themselves from "bias" as though their academic purpose did not ensure this. Not surprisingly, in these post-GCSE days, 40 per cent of the final assessment will be based on coursework.

We must not allow the education of the able to be reshaped in the way SEAC now proposes. We must recognise their needs without being crippled by predictable cries of "elitism". If we fail we shall impoverish ourselves as a nation, in both senses of that over-used word.

The author is headmaster of King's College School, Wimbledon.

## LETTERS

### Iraq, Kuwait and the value of UN resolutions

From the Rt Hon John Birt.

Sir, It is very noticeable here in the Middle East that the government of Iraq is attempting to turn an extremely bad tactical move (the invasion of Kuwait) into an appeal for the international community to apply its collective mind to the overall problems of the region. In the west it is no doubt seen to see this as a ploy to divert attention from the basic problem of the invasion of Kuwait, but in the eastern Mediterranean the argument appears to be well-founded.

With a high moral tone, and political arguments that cannot be faulted, the international community is insisting upon obedience to United Nations resolutions regarding the invasion of Kuwait. No one I have spoken to would disagree with this. But what about the invasion of Palestine? And what about the invasion of Cyprus? — say the local people involved. The Iraqis do

seem to have a point, as understood in simple layman's terms.

There are UN resolutions on Palestine and Cyprus over which the superpowers have made no great fuss. The British sovereign bases in Cyprus, as everyone knows, are vital to the present situation. Why is the international community still not expending the amount of money and energy on enforcing UN resolutions on Palestine and Cyprus that it is expending on the Gulf crisis? Can it all be down to what is economically important to the superpowers?

Sir, I simply ask questions about UN resolutions, and about whether they are of equal value in the eyes of the world, questions that many people in the eastern Mediterranean are asking. John, Cyprus and the Gulf, *Disarmament Office, 2 Grigori Avenue, Nicosia, Cyprus*

### Distinct nature of British beer

From Mr Roger Monte MP.

Sir, Mr Murray Steele of the Campaign for Real Ale (CRA) (Letters, September 23) says he has completed a study of the European beer industry and alleges "flaws" in my analysis of that industry (Letters, September 23).

In challenging the need for pan-European beer regulation, questioning the so-called homogeneity of the European beer market, I stated that "much of continental Europe consumes lager sold in cans and drunk in the home". This is in contrast to the UK market. Mr Steele argues that "only the British consume more than 4 per cent of their beer in cans".

May I refer Mr Steele to the CRA Brewing Industry Council's own statistics. These show that in Germany in 1987, 60 per cent of total beer sales was consumed in private homes. The figure for Denmark was 74 per cent and for Portugal 35 per cent. In the UK only 16 per cent of total beer sold was consumed in homes. The bulk of British beer continues to be consumed in public houses and it is this fact which defines the distinct nature of British beer production, sales and consumption.

Furthermore, the lack of homogeneity in the European beer market was confirmed by the 1990 European Community Beer Review which, according to Sir Leon Brittan, shows the European market to be "the most diverse in the world, with a high proportion of independent brewers in most member states and a high level of consumption... only 4 per cent of all beer consumed in the EC has crossed a national border" (June 15 1990).

Mr Steele asserts that the Eiders/Grand Met deal would be good for the consumer. The Brewers Society suggests there are 1,000 beer brands currently available in the UK from 105 breweries owned by some 65 brewing companies. In 1990 there were 5,447 breweries owned by 1,495 brewing companies selling many times today's number of brands. Rationalisation and mergers over the years have reduced the range on offer and the Grand Met/Eiders deal would be another stage along the same path. Can it seriously be argued by the Cranfield Institute of Technology that this reduced choice is good for the consumer?

Roger Monte, *House of Commons, Westminster, SW1*

### The variety of accounting policy

From Mr David G. Kleeman.

Sir, At a recent board meeting of a listed company consideration was given to the accounting treatment to be adopted with regard to several development properties. A paper had been circulated describing accounting policies adopted by major public companies ("Accounting under scrutiny", October 4).

All the companies examined, with the exception of Land Securities, capitalised their interest on development properties less the relevant tax relief, provided the effect of such capitalisation did not increase the value of the asset above its open market value. There were a number of variances in accounting treatment, each of which in turn has a significant effect on profits, and, therefore, earnings per share. The variances include the capitalisation of unspecified salary and related costs, project overheads, directly attributable overheads, discounts on bonds and finance costs, all costs bringing the properties to their present state and "an appropriate proportion of overheads" as resolved by the board.

The capitalisation of outgoing costs when a property is no longer treated as a development. It is interesting to compare how directors decide where each an interest is reached. The same public companies again have different policies in arriving at their decision including:

• Once the development property is fully let and income-producing.

• At the earlier of when income exceeds outgoing and six to 36 months after the issue of the architect's certificate of practical completion.

• When rental income exceeds 80 per cent of the gross amount expected or exceeds the interest on property outgoing, whichever occurs first.

These policies appear in the accounts of MEPC, Great Portland Estates, Watons (City of London), Rosehaugh, Peel, Greycoat Estates, Stanhope Properties, Frogmore Estates, Hough Estates, Ledbrokers, Britton Estates, British Land, and Capital and Counties.

With important variations in accounting treatment, interested third parties, such as bankers, investors, potential investors and analysts need to think carefully about the usefulness or reliability of accounts presented. A strict comparison of performance between listed companies is, at best, difficult.

If there is not to be greater uniformity of accounting treatment, there is interest to be gained from the professional bodies responsible for this state of affairs should begin to act objectively and recognise the implications of "accounting profits" as against cash-generated profits. An audit certificate has some importance. Accounts which are stated to show "a true and fair view" really should do so.

The standardisation of accounting treatment and policies would render accounts more useful. It would also restrict the ability of the more optimistic boards of directors to report profits and earnings per share which should, or may, require later adjustment.

When the profession has to choose whether the interests of the wider community are more important than the immediate needs of corporate clients anxious to increase earnings per share each year, if it is not possible for the profession to encourage the standardisation of accounting treatment, and to ensure that accounts become more meaningful, it could well be a question which the Department of Trade and Industry should address, because legislation would then be the only effective answer.

David G. Kleeman, *Damen Financial Services, Accountants House, 44 Baker Street, W1*

### Big Sister will know all

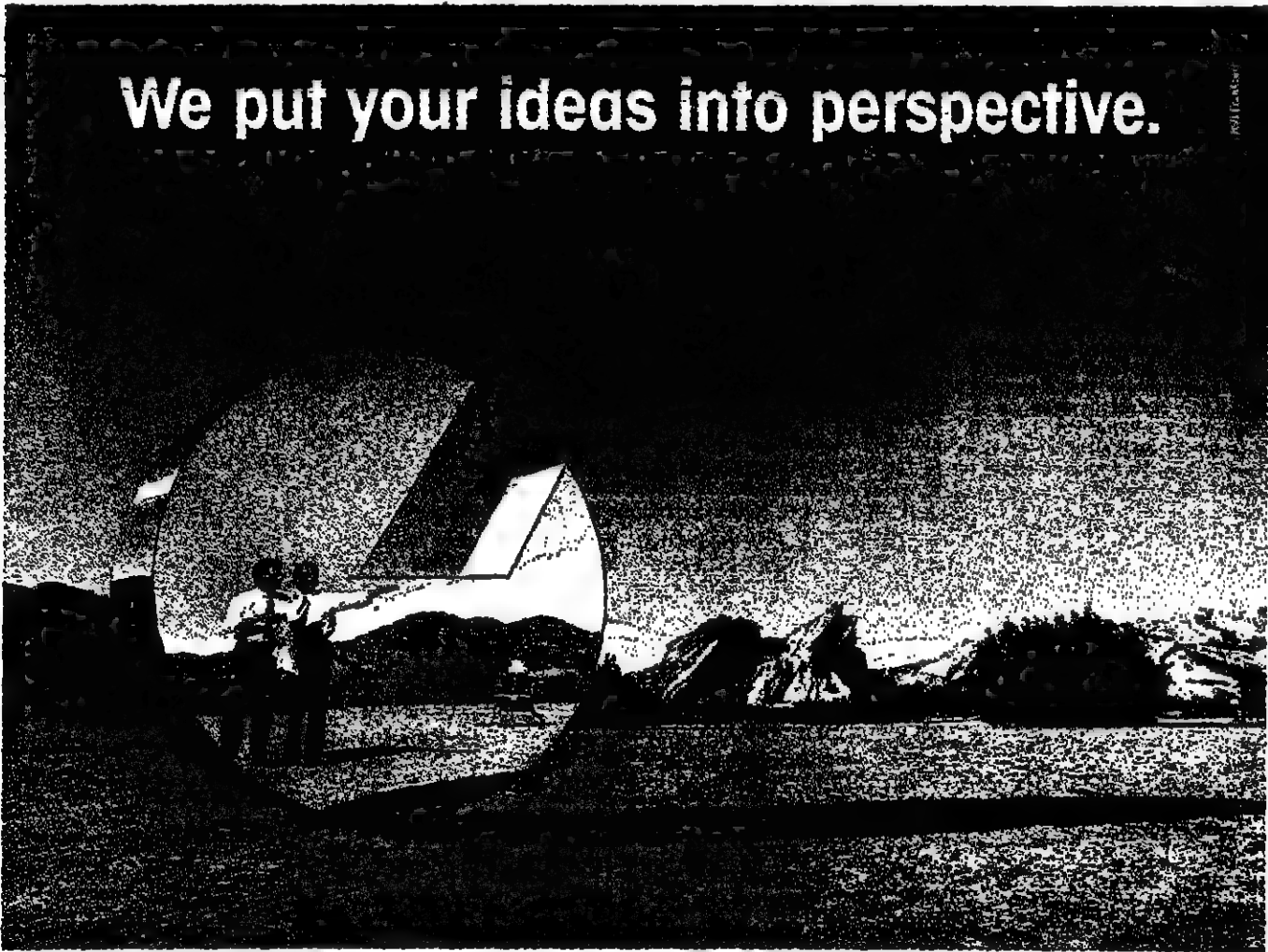
From Mr C.J. Webb.

Sir, Observer ("Blue calls", October 9) wanted to know whom the Tories would be ringing on the hundreds of mobile telephones which the Conservative Party hired from British Telecom for the Bournemouth conference.

As the Conservative Party will presumably settle the

itemised bills for the calls made, it may now be worrying the less cautious users of these "free phones" that Big Sister (or rather Big Brother) will know exactly who called whom, when and for how long.

C.J. Webb, *Papstus, 12 Evers Quay, Marsh Wall, E14*



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# FINANCIAL TIMES COMPANIES & MARKETS

THE FINANCIAL TIMES LIMITED 1990

Wednesday October 17 1990

## INSIDE

### GE advances 9% in third quarter

General Electric of the US made a strong showing yesterday with a 9 per cent increase in third-quarter results. Chairman Jack Welch (left) was clearly happy with the outcome in a difficult environment. Despite the current global uncertainty, GE expects 1990 to be the fourth straight year of a double-digit increase in earnings per share. Martin Dickson reports from New York. Page 30

### Foreigners' field of dreams

The forthcoming privatisation of the British electricity industry is likely to encounter strong overseas investor support. With their appetites already whetted by the recent sale of water company shares, the electricity industry could be a safe port for many foreigners who want exposure to the UK market, but are put off industrial stocks by their belief that the economy has already dropped into recession. Deborah Hargreaves reports. Page 33

### US shake-up at Kumagai

A police raid on the offices of Kumagai Gumi was the latest in a series of events in an awkward year for the Japanese construction company. The raid was part of an inquiry by Japan's Labour Standards Bureau into the collapse of a Tokyo railway tunnel being built by Kumagai and its sub-contractors. The group also said yesterday that its US operations will be reorganised as part of a general drive to reduce the foreign share of its business. Robert Thomson reports. Page 31

### Mount Charlotte rejects Brierley

Shareholders in Mount Charlotte Investments, Britain's second biggest hotels group, were yesterday strongly urged to reject the offer from Brierley Investments, the New Zealand company, to acquire the group. "It would be absurd for shareholders to accept this offer," said Mount Charlotte chief executive, Robert Peel. Mount Charlotte said the offer, which values the group at \$244m (\$12bn), represented a 40 per cent discount to its net asset value. Andrew Bolger reports. Page 34

### Attwoods gains 42%

Attwoods, the waste disposal company which has much of its business in the US, reported a 42.5 per cent rise in pre-tax profits. The results brought new optimism to the company's main businesses showing strong growth. However, chairman Ken Foreman (left) warned in his statement that a company which generates about 80 per cent of its earnings in the US cannot be invulnerable to recession. Juliet Sykes reports. Page 34

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### Chief price changes yesterday

FRANKFURT (DM)		Munich		Paris		London	
Alcatel	711	+	5	100	+	10.5	
Bayer	231	+	5	304	+	5	
Boehringer	815.5	+	0	910	+	30	
Deutsche Bank	587.5	+	0	829	+	15	
Siemens	408.1	+	0.4	944.1	+	2.8	
LONDON (pence)		Munich		Paris		London	
Alcatel	145	+	15	1200	+	60	
Bayer	725	+	3	700	+	22	
Boehringer	144	+	3	1270	+	130	
Deutsche Bank	85	+	24	1000	+	25	
Siemens	154	+	5	1700	+	30	
LONDON (pence)		Munich		Paris		London	
Alcatel	145	+	15	1200	+	60	
Bayer	725	+	3	700	+	22	
Boehringer	144	+	3	1270	+	130	
Deutsche Bank	85	+	24	1000	+	25	
Siemens	154	+	5	1700	+	30	

## UK government backs beer swap

By Clay Harris in London and Kevin Brown in Sydney

THE CREATION of the UK's second-largest brewing group, through the pub-for-breweries swap proposed by Courage and Grand Metropolitan, is to be allowed by the British government, but only under strictly limited conditions. While the approval is qualified, it marks another significant step towards the extinction of Britain's unusual system of "tied houses". Under this practice, many pubs are owned by breweries and, almost exclusively, sell only their owners' beer.

Mr Peter Lilley, trade and industry secretary, also signalled yesterday that further concentration in the brewing industry might face tougher regulatory hurdles. But he failed to give explicit support to a 15 per cent market share limit put forward in this case by the Monopolies and Mergers Commission.

Mr Lilley accepted the commission's conclusion that the GrandMet/Courage deal would operate against the public interest, but might proceed on certain conditions. He gave the companies a month to reach a settlement with Sir Gordon Bortle, director general of fair trading.

In March, the companies proposed a complex assets exchange involving the transfer of GrandMet's breweries to Courage, and the injection of all of Courage's pubs and many of GrandMet's into a new joint venture, Intreprenur Estates.

The biggest change recommended by the commission was that all pubs owned either by Intreprenur or by GrandMet be "untied" from buying beer exclu-

sively from Courage at the end of five years, rather than after 10 years. This would make Courage the first of Britain's five biggest brewers to lack any captive outlets.

Mr Lilley said only that 10 years was too long and that a "shorter period" should be negotiated. GrandMet's response to Mr Lilley and the commission's report appeared to be slightly more optimistic than that of Courage, which is owned by Elders IXL of Australia.

## MAN's vehicles unit ahead by 45%

By Kevin Done, Motor Industry Correspondent

MAN Nutzfahrzeuge, the commercial vehicles subsidiary of MAN, the German engineering group, increased net profits by 45 per cent in the year ended June, 1990 to DM158m (US\$104m).

Group turnover rose by 11.5 per cent to DM5.54bn helped by record truck production and sales. Pre-tax profits increased by 55 per cent to DM331m.

MAN forecast another "satisfactory" financial performance in the current year helped by record order books, which would ensure that the group operated at full capacity. Group turnover was forecast to increase to more than DM7bn. In the first three months (July-September) of this year, turnover jumped by 45 per cent to DM1.4bn, while the value of new orders rose by 67 per cent to DM1.9bn, including an 82 per cent jump in the value of domestic orders.

The MAN results illustrate graphically the starkly divergent trends in operating performance among western European truck makers this year. In contrast to MAN, DAF of the Netherlands, ERF of the UK and Enasa of Spain, the maker of Pegaso trucks, have all slumped heavily into loss. Renault Vehicules Industriels of France has also suffered a fall in profits largely as a result of the heavy losses of Mack, its US unit.

The loss-making European groups have all been hit hard by the steep recession in truck markets such as the UK and Spain, while MAN and Daimler-Benz in particular are benefitting strongly from the continuing growth demand in Germany, where together they control around 95 per cent of the market.

MAN said that its total vehicle production had risen by 11.4 per cent to 30,642 in 1989-90 from 27,501 a year earlier and 23,813 in 1987-88.

Mr Wilfried Lochte, chairman of the MAN Nutzfahrzeuge management board, said the group expected a further 13 per cent jump in vehicle sales in the current year to 34,282 following a 10.5 per cent increase in volume to 30,326 in 1989-90.

MAN, which will consolidate Steyr Nutzfahrzeuge, its Austrian commercial vehicles acquisition from July 1, said it expected new orders to jump to about DM7bn in 1990-91 compared with DM5.9bn last year and DM5.7bn in 1989-90.

Mr Lochte said that MAN had more than compensated for falling sales in the UK and Spain by increased domestic deliveries.

## Another reports round for British brewers

Clay Harris and Robert Rice look at GrandMet's deal

British brewers have had to assess as many reports and government decisions in the past few years as the trade and industry department has had secretaries. Has Mr Peter Lilley, whose turn it now is to order a round, left them any wiser about what will and will not be allowed in future?

Their immediate response yesterday was that they were going to have to read the 88-page Monopolies and Mergers Commission report on the complex GrandMet/Courage pub-for-breweries swap carefully before venturing an opinion.

Scottish & Newcastle Breweries admitted that its ability to answer the question was handicapped by the failure of the commission's reports to arrive in any Scottish branch of Her Majesty's Stationery Office until after 3pm. But at least two salient points jumped out from even a cursory reading of the report and Mr Lilley's response.

Further concentration in the brewing industry faces an uphill struggle to win approval. The commission wanted to limit the market share of the expanded Courage to 15 per cent. Mr Lilley said he would not insist on this if undertakings were met, but warned for the future. "I must consider each case on its merits, and the greater degree of existing concentration in the industry, the more reluctant I will be to allow further concentration in the hands of a few firms."

The 15 per cent recommendation is interesting as it suggests that a lower threshold than the 35 per cent normally used by the commission in considering concentration, ownership may apply when the peculiarities of the distribution structure dictate it.

If 15 per cent does emerge as the limit among brewers, this

means no further combinations will be possible among the Big Five brewers - Bass, Courage, Allied Lyons, Whitbread and Scottish & Newcastle. And even these companies will be limited in their scope for acquisitions. On the face of it, this strengthens the hand of Bass, the unchallenged leader with 22 per cent.

It also sends a signal to non-UK brewers about the limitations of their scope for acquisition. The far more concentrated ownership of brewing (but not of beer retailing) in almost every other developed country and how the European market might evolve received no attention from the commission. Britain is still an island with regard to beer.

The price of any further concentration will be a quicker ending of exclusive supply arrangements - the "tie" - between brewers and pubs, even owned at the time of the GrandMet/Courage joint venture, Intreprenur Estates.

But who should fear an early end of the tie? If UK brewers do not make sufficient inroads in reducing their overcapacity, Courage may suffer because there may continue to be too much beer trying to find a place in too few pubs. In such a buyer's market, GrandMet and Intreprenur might actually welcome early freedom to shop around.

But if capacity is reduced over the next five years, the balance of power might shift in favour of brewers without commitments to their own pubs. In any case, it is clear that the days of the "tied house" are numbered, despite the ground the brewers regained late last year from Lord Young. Mr Lilley's predecessor put one.

Yesterday's decision does appear to reflect a shift in government policy back towards the maintenance of competition. The commission's report on the

Supply of Beer in the UK in March 1989 found a complex monopoly which operated in favour of brewers owning tied retail outlets and which restricted competition at all levels. The commission concluded that in the absence of any likely growth in the number of on-licence premises like pubs, structural change was essential to secure a more competitive regime. It made a number of recommendations for change aimed at reducing the very strong link between brewing and retailing and for greater transparency in wholesale beer prices.

The government reacted by announcing a series of less far-reaching measures. These suggested it had in part accepted the brewers' argument that there was self-evident competition between individual pubs locally and therefore between brewers of every size, and that vertical integration in beer retailing had not only been approved by the European Commission but had positively beneficial effects for the industry and consumers.

The commission, for example, recommended that a ceiling of 300 shops be put on the supply of beer to each pub. The national brewers still account for three out of every four barrels of beer sold in the UK. GrandMet supplied about 11 per cent of the beer market in 1989 and Courage 9 per cent. They supplied 13 and 10 per cent respectively of the larger market.

Following the proposed merger, two brewers, Courage and Bass, together, would have

UK NATIONAL BREWERIES

Shares of total UK beer sales

Percentage	TOTAL MARKET	ALE	LAGER
Grand Met	11	9	13
Courage	9	9	10
Allied	12	12	13
Bass	22	20	24
Whitbread	12	12	12
S&N	10	13	7

PRODUCTION CAPACITY

1989 1990 (4m barrels day)

Company	1989	1990	Utilisation
Grand Met	2.9	3.7	81%
Courage	3.7	4.6	82%
Bass	6.6	7.8	78%
Allied	6.0	7.5	75%
Whitbread	5.2	6.4	84%
S & N	5.0	6.0	77%
Others	7.9	9.5	59%

Source: MNCI Beer report of GrandMet/Courage estimates

about 40 per cent of the beer market and 47 per cent of the larger market. Small wonder that on grounds of increased concentration alone, in an industry which already has a high degree of concentration, the commission should conclude that the deal would operate against the public interest and should be blocked.

The deal, of course, may yet not proceed. The companies have a month to agree to undertakings with the director general of fair trading. The requirement for the period of exclusive supply of beer under the beer procurement and supply agreements to be reduced so that Intreprenur Estates, which will hold all the tied public houses and GrandMet Retailing, which will hold GrandMet's remaining tied pubs, would be released totally from such exclusive supply agreements after five years, is stringent.

It may prove too much for Courage, especially, to swallow, particularly as no one else will be required to end tied house agreements so quickly.

## Merrill Lynch net income rises 12% amid tough third quarter

By Martin Dickson in New York

MERRILL Lynch yesterday reported what is expected to be a season of sluggish results from Wall Street securities houses with a 12 per cent rise in net income for the third quarter - a period covering the sharp decline in world stockmarkets due to the Gulf crisis.

Merrill, the largest US securities house, said net earnings rose from \$41m to \$46.1m, although the 1989 quarter was depressed by a \$2.2m loss on a divestiture. Earnings per share totalled 38 cents, against 34 cents.

Analysts forecast had varied widely from 30 to 40 cents - a reflection of the turbulence on the markets. Securities firms were hit during the quarter by poor trading volume and minimal activity in the takeover field and in new issues.

Merrill said its figures were

encouraging, given the "extraordinary" environment and the fact that the stock market had registered one of its poorest quarterly performances in four decades.

It added that the Middle East crisis and inconclusive talks on the US federal budget deficit had "increased uncertainty, dampening activity by our individual, institutional and investment banking clients".

The group attributed its figures to stringent cost control. It said this put it in the "best possible position to capitalise on market and economic conditions when they improve". At the end of last year, the company took a \$470m restructuring charge to cover cost-cutting measures.

Revenues for the quarter were \$3.97bn, against \$3.82bn. There was a 31 per cent advance in

principal transaction revenues - involving securities in the group's market-making inventory - due to improved fixed-income trading.

Asset management and custodial fees advanced 11 per cent, but there was a 5 per cent decline in revenue from commissions earned on securities trading. Merrill said this reflected "adverse market conditions and lower levels of investor participation".

There was a 39 per cent decline in investment banking turnover because of general weakness in equity underwriting and merchant banking activity. Many issuers postponed transactions amid economic uncertainty.

Merrill's expense bill rose slightly - to \$2.79bn from \$2.76bn, due to consolidation of a financial group. Otherwise, operating expenses dropped.

## Citicorp falls 38% in third quarter

By Martin Dickson in New York

CITICORP, the largest US commercial bank, yesterday underlined the difficulties facing the industry by announcing a 38 per cent drop in third-quarter net income and large write-offs on property and other commercial loans.

However, the bank maintained its dividend of 44 cents a share - in contrast to two large New York rivals, Chemical Banking and Chase Manhattan, which have announced dividend cuts to conserve capital.

The bank reported third-quarter net income of \$221m or 55 cents a share compared with \$358m or 99 cents a year earlier. The figures were only a little short of forecasts, but some Wall Street analysts argued that the headline figures masked a sharp deterioration in Citicorp's ratio of non-performing assets to loan loss reserves and it would have to address this.

"There could be a large hit to equity in the fourth quarter," argued Mr Thomas Hanley, banking analyst at Salomon Brothers. Citicorp shares were the most actively traded on the New York Stock Exchange yesterday and closed down \$1 at \$12.

Meanwhile, Manufacturers Hanover, another large money centre bank, yesterday announced third-quarter net income of \$77m, or 99 cents a share, compared to a net loss of \$782m, or \$15.46 a share a year earlier when it added \$500m to its reserve against third-quarter debt.

Citicorp said its results continued to reflect the slowdown of US corporate banking and write-offs on its US real estate portfolio. At the same time, the bank said its consumer business remained strong - earnings advanced 34 per cent to \$229m in the third quarter. It warned that the US real

estate market had not yet stabilised and continued write-offs would extend into 1991. "Resolution of the Gulf crisis and stabilisation of the financial markets will have an important bearing on the outlook for the US economy and hence on the real estate business," the bank noted.

Citicorp's commercial loan loss provision - excluding third-quarter debt - was \$283m, up from \$250m in the third quarter of last year. It included \$20m of net write-offs, which compared to \$77m in the same period of last year and \$222m in the first two quarters of 1990.

Domestic real-estate write-offs were \$61m, against \$11m a year ago and \$80m for the first two quarters. Write-offs on highly leveraged takeovers which have gone sour were \$22m, against \$106m in the first two quarters.

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## INTERNATIONAL COMPANIES AND FINANCE

## CCF advances by 4% to FF356m in first half

By George Graham in Paris

CREDIT Commercial de France (CCF), the French commercial bank, has reported a 4 per cent advance in first-half net profits to FF356m (\$67.8m).

Mr Michel Pibereau, CCF's chairman, said the period had been marked by a series of negative factors, including the structure of interest rates, the weakness of the stock market and the deterioration of competition in the loans market. CCF had suffered in just the same way as the rest of the French banking sector. "It is rare for so many negative factors to accumulate," he said.

Mr Pibereau said clients had transferred their funds away from deposits to money market mutual funds, obliging the bank to increase its use of certificates of deposit, for which it

must pay more, to FF22bn, compared with FF12bn a year earlier.

He complained the maintenance of lower taxation for these money market funds than for conventional deposits was an aberration.

In addition, he said, the distortion of competition resulting from the monopoly of the Caisse d'Epargne and Credit Mutuel savings banks on tax-free savings passbooks had led to a collapse in lending margins unparalleled elsewhere.

CCF increased its outstanding loans in France by 14 per cent in the first half of the year, but narrower margins meant that net banking income rose only by 5 per cent to FF4.0bn.

Gross operating profits

remained flat at FF1.07bn, and CCF made net provisions, offset by capital gains, totaling FF560m, compared with FF584m in the same period of 1989. The bank had already almost entirely covered its sovereign debt risks last year by spinning off its loan portfolio into a separate trust, but it had to boost provisions for specific client risks by 50 per cent.

Earnings per share, after the payment of interest on participating securities, fell to FF7.55 compared with FF7.80 a year earlier.

Europeenne de Banque CCF's private banking and asset management subsidiary, made net profits of FF25.2m, down 10 per cent from the same period of 1989 in a difficult stock-market climate.

## Whirlpool to sharpen focus on top brands

By Ronald van de Krol in Amsterdam

WHIRLPOOL International BV (WIBV), the white goods joint venture between Whirlpool of the US and Philips of the Netherlands, is to carry out a reorganisation aimed at sharpening the company's focus on its leading brand names.

The company said it plans to create two brand-oriented business units. The first will focus on the Philips Whirlpool brand - which was formed early this year by linking the names of the joint venture's two partners - and on the smaller Iguis and Leden brands. A second business unit will look after the Banknecht brand.

The focus on product brands, more than ever, will be the driving force of WIBV as the company moves from the country-to-country marketing of the past to the global Euro-brand concept of the 90s, the company's president, Mr Jan Prins, said in a statement from the joint venture's headquarters in Comerio, Italy.

In another change of policy, a separate business unit will concern itself with manufacturing and technology. Until now these tasks were spread over a variety of different offices.

This manufacturing arm will work closely with Whirlpool's North American operations in global development projects and in worldwide purchasing of materials and components.

The reorganisation is scheduled to be completed in 1991, before the creation of the single internal European market at the end of 1992.

No major job losses or factory closures are planned, though a small, unspecified number of jobs may be cut to avoid duplication of effort.

After the reorganisation, national sales offices will concentrate on primary marketing tasks and on customer service. Other activities, such as after-sales service and administration, will be handled by a common service infrastructure, in order to take advantage of greater economies of scale.

Staff in Comerio will set out Europe-wide strategies for quality, human resources, finance and legal services.

## Next profits plunge to only £2.3m

By John Thornhill

NEXT, the fashion retailer and mail order group, yesterday recorded a dramatic fall in pre-tax profits to £2.3m (\$4.5m) from £16.2m. Sales in the six months to July 31 were 20 per cent down to £374.7m from £470.4m.

However, a fair chunk of the previous year's profits and sales came from businesses now discontinued and operating profits from continuing businesses slipped less precipitously to £5.7m against £9.7m, on increased sales of £369.8m from £388m.

The company, which locked itself into a high cost structure during its hectic expansion in the 1980s, has struggled in the current difficult retailing con-

ditions and its shares have been battered in recent weeks as fears have grown that the company will be unable to repay two convertible bond issues due in 1992.

But the company eased concern yesterday by announcing its withdrawal from property development and suggesting that its Club 24 credit card operations might be sold in the second half. The sale of these interests may net about £80m.

Mr David Jones, chief executive, said: "We are not going to go bust. What we are doing is sorting out the business."

Next expects to recover about £37m from the sale of its property interests within the next month.

But this will represent a considerable shortfall compared with their book value of £60m, so the company took a £40m extraordinary charge in the period, after adding deferred interest and other costs.

The company also said it was holding talks which could lead to the sale of Club 24. This business contributed £2.9m against £2.7m during the six months. Analysts say the division could fetch about £40m.

Next's high street retailing interests saw operating losses steepen to £2.6m from a £2m loss, as sales slipped to £126.7m against £132.9m. Because of the tough retail conditions, the underlying sales performance

was weak, with a like-for-like sales decline of 2 1/2 per cent. Sales were particularly badly affected and sales slid by 15 per cent.

But the business has been restructured. During the half year, retail space was cut by 6 per cent to 1.63m sq ft and staff numbers by 23 per cent to 4,139.

Next's home shopping division saw trading profits fall to £6.4m from £8.2m, although this disguised a buoyant performance from the Next Directory which increased sales by 29 per cent to £41.7m.

The interim dividend fell to 0.7p against 2.7p. Earnings per share fell to 0.44p from 2.61p. *Lex, Page 26*

## Lau brothers see off bid for companies

By John Elliott in Hong Kong

THE LAU brothers, two of Hong Kong's most controversial corporate raiders, have defeated a HK\$6.62bn (US\$1.11bn) takeover bid for their main property and manufacturing companies, Evergo International and Chinese Estates, a Taiwan-born businessman based in Hong Kong.

Mr Hwang offered HK\$4.80 a share for Evergo and HK\$3.35 a share for Chinese Estates. But he only obtained 44.3m Evergo shares, representing 8.1 per cent of the company's issued share capital, compared with a bid target of 90 per cent.

The bid, made by Super Power Resources, was greeted with widespread scepticism when it was first rumoured in July and was then formally launched in August.

The Lau brothers are believed to have substantial holdings of approaching 50 per cent or more in both companies, which means that their approval would be needed for a successful bid.

## Del Monte \$32m goes to Polly Peck account

By Richard Waters

SOME \$32m belonging to Del Monte Fresh Fruit, a US subsidiary of Polly Peck International, has found its way into a bank account belonging to Polly Peck, it emerged yesterday.

This is the first sign that the "ring-fence" built around Del Monte, intended to protect it from financial contagion from other parts of the group, has been breached. Polly Peck has exhausted its cash balances and resorted to selling assets to keep afloat.

The \$32m was paid into an account in the name of Polly Peck held at Midland Bank. The bank said the money had been paid in several instalments over a period of about two weeks, culminating two weeks ago.

A number of banks have claimed much of this money was intended for them, and it was a prepayment of a loan they advanced at the time Polly Peck took over Del Monte a year ago.

The \$32m loan was secured on Del Monte's assets, and the banks had relied on a "ring-fence" arrangement to protect these from being transferred to other parts of the group.

Midland Bank said yesterday that the \$32m had been paid into a Polly Peck account at one of its branches with no instructions for its onward transmission.

It is understood that the cash, which had been sitting in a Del Monte account with another bank, was paid on the instruction of Polly Peck's central treasury staff in London.

It is believed that it was used to reduce a Polly Peck overdraft at Midland. "We were never party to the ring-fence agreement," Midland said yesterday.

Banks involved in the \$650m loan had earlier claimed that Midland had itself seized the money, saying that it could not set the Del Monte cash against money owed to it by Polly Peck. Midland has consistently denied this.

Del Monte refused to comment yesterday, while Polly Peck would say only that the matter was in the hands of its lawyers.

According to one banker close to the transactions: "There is now a legal dispute between Del Monte, Polly Peck and Midland. It will be for the courts to sort out."

## Wallenberg groups under strain

By John Burton in Stockholm

INVESTOR, Providenta and Patricia, the Wallenberg family-dominated investment companies, yesterday reported results that reveal that they are coming under increasing financial strain, which could eventually loosen the family's control over key segments of Swedish industry.

Investor reported a 40 per cent drop in profits to SKr145m (\$25m) for the first eight months of 1990 and Providenta a 58 per cent slide to SKr61m, while Patricia suffered a loss of SKr575m, a plunge of 278 per cent.

Falling share prices and costly efforts by the family to resist corporate raiders and restructure its industrial empire were behind the profit decline. Investor said its substance value per share, based on its own capital plus its extensive shareholdings, fell by 10 per cent to SKr208.

Rising interest rates increased investor's interest rate burden to SKr260m from SKr75m during the correspond-

ing period a year ago. But it added that the value of its shareholdings had declined by only 4 per cent, compared with an 8 per cent drop for Affarsvariden general index, a measure of the Stockholm house.

Providenta reported that its substance value per share fell by 15 per cent to SKr183, while the value of its shareholdings declined by 7 per cent. Patricia blamed its profit deficit on a greenmail raid by Mr Sven Olof Johansson, a Swedish financier.

## Trelleborg up to SKr1.74bn with slight sales fall

By Our Financial Staff

TRELLEBORG, the Swedish industrial group with interests in mining, rubber, plastics and chemicals, yesterday reported a SKr1.74bn (US\$308m) profit (after financial items) for the first eight months of 1990, a comparable figure to the SKr1.73bn achieved over the same period of 1989, wrote Robert Taylor in Stockholm.

Sales fell back slightly to SKr16.98bn from SKr17.19bn. The company said profits for the whole of this year would emerge between SKr2.2bn and SKr2.5bn. This compares with an actual net profit of SKr2.7bn in 1989. Trelleborg added that the forecast was dependent on stable metal prices and exchange rates.

## Outokumpu profits in sharp fall to FM253m

By Our Financial Staff

OUTOKUMPU, the Finnish metals group, yesterday reported a steep decline in pre-tax profits from FM1.09m to FM253m (US\$70.3m) for the first eight months of 1990 compared to a year earlier.

But the company said the setback mostly reflected last year's exceptionally good position. It noted that the result in the second four months was on the same level as the first four months.

Outokumpu said base metals markets had been quite stable this year. Prices were clearly lower than a year ago but an expected price collapse had not

materialised. It was difficult to make forecasts given the present uncertain world political situation, the company said.

However, it was possible that results for the full year would show an improvement, Outokumpu said.

Outokumpu's pre-tax income for 1989 was FM1.09m on turnover of FM11.8bn. Turnover for the eight months dipped from FM7.7m to FM7.1m.

The company said demand for copper products weakened on many leading markets. This meant that more stringent efforts were required to improve profitability.

## Pirelli makes accusation on Continental

By Heig Simonian in Milan

PIRELLI, the Italian tyres and cables group which is trying to take control of Continental, the German tyre producer, has strongly accused Continental of misrepresenting its proposals.

In the latest salvo in what is becoming a growing war of words, Mr Andrea Travelli, Pirelli's finance director, denied that Pirelli had ever set out concrete terms for its merger plan.

Rather than proposing a fixed price for the assets of Pirelli Tyre Holdings (PTH), the group's tyre subsidiary, Mr Travelli said Pirelli had suggested the question of valuation be left to independent accountants.

Mr Travelli also rejected a claim by Mr Horst Urban, Continental's chief executive, that the proposal to acquire PTH's assets would saddle Continental with huge additional debts. Pirelli had "no intention to push Continental into higher borrowing," he said.

According to Mr Travelli, Pirelli had made no suggestions as to how Continental should finance the acquisition of PTH's assets. "It seems sensible to us that at least 50 per cent to 65 per cent of the sum should be raised through shareholders' funds," he said.

## STORA

STORA INTERIM REPORT FOR THE EIGHT MONTHS ENDED AUGUST 31, 1990

- Profit after net financial items declined about 29 per cent to SEK 1,734 million (2,446)
- Earnings per share for the most recent 12 month period amounted to SEK 32.90 (1989: 41.50)
- Feldmühle Nobel (FeNo) is included as a STORA Group subsidiary, effective May 1, 1990
- Profit for the full year is expected to be somewhat lower than anticipated in the interim report issued in June 1990

## Group structure

With effect from May 1, 1990, Feldmühle Nobel AB (FeNo) is included in the STORA Group as a subsidiary. Formally, FeNo is included in the Group's consolidated income statement only for the four month period May 1 to August 31. In order to retain meaningful figures for comparison purposes, earnings during this period are also reported excluding the acquisition of FeNo.

## Group

STORA Group sales amounted to SEK 37,151 million (27,170). Excluding the effects of corporate acquisitions and divestments made during the year, sales increased by approximately SEK 790 million, or slightly more than 3 per cent.

Profit after net financial income and expenses decreased by SEK 712 million, about 29 per cent, to SEK 1,734 million (2,446). During the most recent 12 months, September 1989 to August 1990, profit per share\* (after standard tax at 30 per cent) amounted to SEK 32.90 (SEK 41.50 for full year 1989). Extraordinary items totaling SEK 1,279 million reported during the period were wholly due to capital gains on the sale of shares in Stora, Keml. Extraordinary items in the preceding year represented capital gains on the sale of shares in the subsidiary company, G-man.

## Subsidiaries

Demand for forest industries products, generally, continues to be satisfactory, while the market for most of the Group's construction-related product areas declined steadily.

Capacity utilisation in the European paper and board industry remained high. However, continued reductions in inventories and increased competition from North American manufacturers resulted in a reduction in the level of pulp deliveries. The intensified competitive situation was noticeable primarily in the short-fibre pulp area, where compared with the preceding year, sales prices were down by 7 to 10 per cent. In the long-fibre paper and pulp pulp sector, the competitive situation was more favourable, resulting in sales prices measured in Swedish Kronor declining only marginally. Against this background, profit for the pulp-producing units at Stora Cell, Billerud, Papyrus and Stora News declined.

Through the acquisition of FeNo, the Group is a net purchaser of pulp. This means, with a certain time lag, that the effect on profit of the reductions in pulp prices will be neutralised.

In the majority of the Group's markets in Western Europe, demand for newspaper and magazine paper increased. In Germany, the trend was particularly strong, with demand rising by around 8 per cent. However, increased supplies led to greater price competition across all market segments, resulting in moderate price increases.

In Papyrus' principal area of operations, the fine papers segment, the market was also characterised by favourable demand but severe price competition.

The market for packaging papers and board continued to develop favourably, resulting in Billerud maintaining satisfactory levels of earnings and profitability.

Increased prices for electrical power and forest raw materials led to a substantial increase in profit for both Stora Power and Stora Forest.

The markets in Denmark, Norway and Finland, which are important for Swedcor and Stora Kitchen, weakened further during the second four month period. However, demand in the Swedish market continued to be favourable.

Lower construction activity and an increase in the number of competitors are resulting in reduced demand and more

intensive price competition in most of Tarkett's markets and areas of operations.

With the intention of improving future profitability at Aketund & Rausing, an extensive restructuring programme is currently in progress, whereby substantial losses attributable to operations in the present year and in preceding years have been incurred. In addition, costs in connection with the restructuring of the carton units in Lund and Norrköping will continue to be high.

## Feldmühle Nobel AG (FeNo)

The West German market, in which more than 50 per cent of FeNo's sales takes place, remained strong. Profit after financial income and expenses\* during the period January to August totalled SEK 1,011 million (1,035).

Profit improvements were reported in the Rodemus and Dynamit Nobel groups. Profit at Feldmühle AG declined, mainly as a result of increased costs in connection with the start-up of a new paper machine for production of LWC.

## Rationalisation programme

Investments and acquisitions made in recent years are resulting in substantial rationalisation and synergistic gains. This is enabling the Company to implement an extensive rationalisation programme. As a result of this and of lower demand, the number of employees will be reduced by approximately 1,000 persons during the present year and by a further 2,500 in the period up to end 1991.

## Forecast for 1990

Taking into account the uncertainty that prevails as a result of the current global political situation, STORA is electing not to make a precise full year forecast. However, the trend of profit is such that profits for a number of the Group's operating areas are expected to be somewhat lower than anticipated in the interim report issued in June 1990.

## Consolidated Income Statement 8 Months (SEK m)

	1990	1990	1989
	Reported values	Estimated values	Reported values
Incl. FeNo excl. FeNo	May-Aug	May-Aug	May-Aug
SALES	37,151	36,718	37,170
Operating expenses	-32,214	-33,060	-32,686
Share in profit of associated companies	55	59	68
OPERATING PROFIT BEFORE PLANNED DEPRECIATION	4,990	3,787	4,552
Planned depreciation	-2,091	-1,443	-1,407
OPERATING PROFIT	2,899	2,344	3,145
Net financial items	-1,163	-668*	-977
PROFIT AFTER NET FINANCIAL ITEMS	1,734	1,676	2,168
Extraordinary income and expense	1,279	1,279	180
PROFIT BEFORE APPROPRIATIONS AND TAX	3,013	2,955	2,348
Of which minority share	219	140	191

\* Following adjustment to Swedish accounting practice.

\* Adjusted to include estimated financing expenses of minority share SEK 400 million.

All of these Securities have been sold. This announcement appears as a matter of record only.



## International Bank for Reconstruction and Development

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Issue Price 101.45 per cent.

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Banca d'America e d'Italia

Deutsche Bank Group

Banco Ambrosiano Veneto

Banco di Sicilia

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Morgan Stanley International

Salomon Brothers International Limited

UBS Phillips &amp; Drew Securities Limited

October, 1990



The Italian press set up which is trying to get out of Communist influence, the *Avanti* producer, to use former Communist representatives in the cabinet solve in what a growing way a pressing need for finance during the period when the terms for the Italian proposal to the United Nations Working Party for the four solutions and the United Nations the question of the right to independence.

It is also possible that the Italian Government is not far from a decision to set up a special committee to study the Italian position in the Balkans. The committee would be headed by the Italian Minister for Foreign Affairs, and would be made up of representatives of the Italian Government, the Italian press, and the Italian people. The committee would be charged with the task of studying the Italian position in the Balkans, and of making recommendations to the Italian Government on the basis of its findings.

**In Europe. And around the world.**





## INTERNATIONAL COMPANIES AND FINANCE

## Drugs sector shows robust earnings and sales growth

By Karen Zagor in New York

THERE were no surprises from the pharmaceuticals sector yesterday, with most of the big US companies posting robust growth in earnings and sales, in line with analysts' expectations.

But the industry's continued strength was not sufficient to support stock prices in a declining market, and most of the shares of companies which posted their results yesterday moved lower in morning trading.

Pfizer's third-quarter net income rose 12 per cent to \$243.3m or \$1.45 a share from \$217.5m or \$1.29 a share, on sales which were 14 per cent higher at \$1.64bn.

Mr Edmund Pratt, chairman and chief executive, said: "Our new pharmaceutical products have been very well received by the medical community. While these products are still in the launch process worldwide, they already account for more than a quarter of our pharmaceutical sales."

For the first nine months, Pfizer's net income grew 9 per cent to \$648.4m or \$3.85 a share from \$594m or \$3.52. Sales advanced 11 per cent to \$4.62bn from \$4.16bn.

Merck, the New Jersey drug company that is noted for its growing stable of new products, reported a 19 per cent improvement in third-quarter net income and a 20 per cent gain in earnings per share.

For the three months ended September 30, Merck posted net profits of \$463m or \$1.19 a share against \$390.5m or 99 cents a year earlier. Sales advanced 17 per cent to \$1.91bn from \$1.63bn.

Income before taxes grew 17 per cent to \$691m from \$592.1m.

For the first nine months, Merck's net income rose 18 per cent to \$1.34bn or \$3.42 a share from \$1.13bn or \$2.85 the previous year. Sales grew 16 per cent to \$5.57bn from \$4.78bn.

Merck said its sales growth in the nine months was led by newer products, while its earnings growth came from strong unit volume, better product mix, cost controls, improved productivity and a lower tax rate.

Elil Lilly, which is facing litigation over its Prozac anti-depressant drug, had third-quarter net income of \$256.8m, up 21 per cent from \$212.4m a year earlier. Earnings per share grew 23 per cent to 90 cents from 73 cents. Sales were \$1.28bn against \$991m.

The Indiana-based company said operating expenses rose at a slower rate than sales growth in the quarter, resulting in a 40 per cent gain in operating income.

For the first nine months, Lilly's net income rose 22 per cent to \$872m from \$714.2m. Earnings per share were \$2.99 against \$2.45. Sales advanced 24 per cent to \$3.75bn from \$3.03bn.

American Home Products, whose pharmaceuticals business is suffering from a dearth of new products, turned in net income of \$317.8m or \$1.01 a share, up 18 per cent from \$273.2m or 89 cents a year ago. Sales advanced 11 per cent to \$1.74bn from \$1.57bn.

For the first nine months, American Home's net income rose 17 per cent to \$924.4m, including a net gain of about \$73m from the sale of the company's household products businesses, from \$797.8m a year ago. Earnings per share grew 12 per cent to \$2.87 from \$2.56 on sales which rose 1 per cent to \$5.16bn from \$5.11bn. Income before taxes improved 2 per cent to \$1.41bn from \$1.37bn.

American Cyanamid had net income of \$94m or 39 cents a share against \$61m or 25 cents the previous year. However, earnings were distorted by the sale of the company's household products businesses, which brought a net gain of \$34m or \$2.59 a share. This was partly offset by one-time charges adding up to about \$30m or \$2.15 a share.

For the first nine months, Cyanamid had net income of \$296m or \$3.10 a share against \$254m or \$2.71, on sales which rose 7 per cent to \$3.4bn from \$3.12bn. Earnings from continuing operations plunged to \$51m or 54 cents a share from \$227m or \$2.42.

Warner-Lambert said its net income in the third quarter rose 17 per cent to \$125m from \$107m, while earnings per share, which have been restated to reflect a two-for-one stock split in May, increased 18 per cent to 93 cents from 79 cents. Sales advanced 7 per cent to \$1.19bn from \$1.1bn.

For the first nine months, Warner-Lambert's net income rose 18 per cent to \$379.6m from \$320.4m; earnings per share rose 19 per cent to \$2.83 from \$2.37.

## Campeau in talks to extend loan agreements

By Robert Gibbons in Montreal

CAMPEAU CORPORATION, the struggling property and retail giant, says temporary standstill arrangements covering nearly US\$700m in loans ran out at midnight on Monday, but that negotiations continued for new agreements.

The Edward DeBartolo Corporation of the US had lent US\$480m to Federated Department Stores, one of two big US retail chains acquired by Campeau two years ago. The loan was guaranteed by Campeau Corp.

After Federated and Campeau defaulted on the loan, DeBartolo agreed this year not to seize collateral without giving nine days' notice. This agreement ran out on Monday, and DeBartolo says it will not be extended.

A similar arrangement covering Citicorp (US\$190m) lent to Campeau Corp by the Richmond Brothers' Olympia & York Developments has run out. This loan is secured on Campeau Corp's Canadian property portfolio. O&Y has three seats on the Campeau board following the latter's default on the loan.

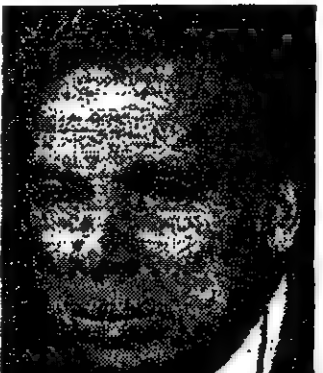
The DeBartolo loan is secured on Federated and Allied Stores group assets. But these retail chains are reporting continued heavy losses, and have until February 28 1991 to file reorganization plans designed to take them out of Chapter 11 bankruptcy.

Ralphs Grocery is the only part of the retail group to report favourable results in the first half of 1990.

Campeau Corp, no longer controlled by founder Mr Robert Campeau, says it will continue negotiations with DeBartolo for a standstill agreement covering the US\$480m loan, at the US company's request.

A Campeau official in Toronto said negotiations would also continue for an agreement with O&Y. Campeau has sold property worth just over US\$300m this year.

O&Y and two Canadian banks will take the proceeds as partial repayment on loans. A poor North American economy is hampering Campeau's survival.



Robert Campeau: founder no longer in charge

## GE ahead as long-cycle businesses remain buoyant

By Martin Dickson in New York

GENERAL ELECTRIC, the diversified US manufacturing and services group, yesterday reported a 9 per cent increase in third-quarter net earnings, with strong growth in capital goods divisions more than offsetting softness in consumer products.

Net earnings totalled \$1.03bn, up \$21m from the third quarter last year, on consolidated revenues of \$14.2bn, ahead 9 per cent from \$13bn last year.

Earnings per share rose 12 per cent to \$1.16 from \$1.04, helped by the company's 5-year, \$10bn programme to repurchase its shares.

Mr Jack Welch, the chairman, said both the weakening economy and the Middle East crisis had dampened GE's short-cycle businesses, such as lighting and plastics.

But "short-cycle softness was more than offset by very

strong earnings in aircraft engines, power systems and medical systems, reflecting higher revenues and continued productivity gains".

Mr Welch said the strong momentum in orders for long-cycle businesses was continuing.

New power generation orders for the third quarter totalled \$900m, bringing the total for the first nine months to nearly \$3bn.

Aircraft engine orders of \$64m for the first nine months were 18 per cent ahead of those in the period last year, bringing the backlog to \$14.1bn, compared with \$13.3bn at the end of last year.

Mr Welch said: "Despite the current global uncertainty, GE - with record operating margins, record productivity and continued strength in long-cycle businesses - expects 1990 to be the fourth straight year

of a double-digit increase in earnings per share."

In the services sector, GE Financial Services reported net earnings 19 per cent ahead of last year, led by GE Capital, which continued its portfolio growth.

Broadcasting, through the NBC subsidiary, had slightly reduced operating profits and revenues, primarily because of market softness.

Among short-cycle businesses, the materials division suffered substantially reduced operating profits despite increased revenues. This was due to the impact of higher oil product prices on raw materials costs for GE's plastics operations.

Appliances such as washing machines and refrigerators saw revenues little changed but much greater operating profits, due mainly to strong productivity gains.

## GTE earnings per share up 11%

By Barbara Durr in Chicago

GTE, owner of the largest non-bell telecommunications system in the US, reported earnings per share up 11 per cent in the third quarter to 59 cents, compared with 53 cents for the year-ago quarter.

The earnings per share for both periods reflect the two-for-one stock split that went into effect last May.

Consolidated operating income jumped 14.8 per cent to \$912m in the third quarter, up from \$794m a year ago and net income increased 11 per cent to \$408m from \$368m last year.

Revenues and sales rose 5 per cent to \$4.6bn, up from \$4.4bn in 1989.

GTE chairman, Mr James "Rocky" Johnson, said he was especially pleased with "these excellent results" in the

current difficult economic environment.

He said that GTE's efforts over the last three years to reduce costs and raise quality and efficiency have finally begun to generate positive financial results.

Wall Street appeared unimpressed, however. GTE shares were down 1/4 to 27 1/2 in mid-morning trading, partly on doubts over plans to buy Atlanta-based Cotel Corp.

GTE, based in Stamford, Connecticut, is awaiting approval for its agreement to buy Cotel, which is subject to approval by shareholders of both companies as well as regulatory agencies.

Special shareholder meetings are expected to be held in December.

If approved, the merger will make GTE the largest US local telephone exchange company and second largest cellular telephone operator.

The deal, announced in July, has had a lukewarm reception with investors.

This comes in part because of general wariness about cellular phone business in a recessionary economic climate and because the merger will dilute earnings by at least 10 per cent.

Earnings will be further diluted, by an estimated 3 per cent, following the \$710m acquisition on October 4 of the Providence Journal's cellular properties. But GTE appears to be determined to position itself in what it believes is a good and growing market.

## Ford, Mazda and Sanyo in deal

By Kevin Done, Motor Industry Correspondent

FORD of the US, the world's second largest car maker, is to establish a joint venture in Asia with Mazda, its Japanese associate, and Sanyo, the Japanese electronics group, to design, develop and manufacture automotive audio products.

The venture will have a manufacturing plant located in Malaysia, and radios from the new venture will be used primarily in vehicles produced and sold in the Asia-Pacific region.

Mr Harold Poling, Ford chairman and chief executive, said that there had been a "phenomenal" growth in automotive electronics in recent years.

The value of electronic components in the average US car had doubled from 1984 to

1988, and this trend was likely to continue over the next decade.

By some estimates, by the year 2000 the value of electronics for the average car will reach about \$2,000 - up from the current \$1,000 - representing more than 10 per cent of the car's retail price, said Mr Poling.

The fastest growth would be in the areas of chassis electronics, and safety and environmental control features.

The consumption of semiconductor components by the auto industry was expected to nearly double in the next decade despite the fact that the worldwide market for cars and trucks was forecast for only modest growth.

Mr Poling said that in the future there would be increasingly sophisticated communication between cars and satellites and between cars and the cellular phone network. Fax machines and personal computers would be integrated into vehicles.

"We'll see true collision avoidance systems with computers reacting many times faster and more skillfully than the most proficient human driver."

At the same time cars would use advanced navigation systems to provide continuous estimation of a car's location and offer driver route guidance. "With the aid of computer-vision applications cars will be able to identify image characteristics and virtually drive themselves," he said.

The strikes have since been settled and the mills have just resumed operations.

The low compares with profits of \$13.8m or 18 cents a share a year earlier.

Sales fell to \$370m against \$381m.

For the first nine months, Abitibi recorded a loss of \$15.7m or 25 cents a share, compared with a profit of \$68.7m or 92 cents a year earlier.

Sales were slightly lower at \$32.3bn, against \$32.5bn. The latest period includes a \$42m special restructuring charge.

Abitibi also blamed soft markets for most paper products and the high level of the Canadian dollar against the US currency.

## Polaroid net rises but operating returns fall

By Martin Dickson

POLAROID, the instant photography company, reported a 6 per cent rise in net earnings for the third quarter but operating profits down by the same amount.

The figures followed Friday's court ruling that Eastman Kodak must pay Polaroid \$909.5m in damages and interest for infringing its instant photography patents. However, the award was lower than the markets expected.

The company said third-quarter sales were \$463.7m, up 6 per cent on the same period last year, while net earnings rose to \$31.3m from \$28.9m. Earnings per share were 43 cents against 40 cents.

US sales were down 6 per cent, while international sales rose by 27 per cent, helped by strong revenues in Europe and the weaker dollar. Worldwide unit sales of cameras, instant film, conventional film and videotape increased.

However, increased margins were more than offset by substantially higher marketing expenses, leading to the 5 per cent drop in operating profits. But lower interest expenses meant that pre-tax profits rose from \$42.3m to \$45.6m.

Mr L. MacAllister Booth, chief executive, said that for the year the company still expected operating profits to be flat or moderately down from 1989, due to the uncertainties of the US business climate and continued investment in product development.

Operating profits were down 5 per cent to \$13.8m from \$14.6m. Sales were down 1 per cent to \$370m from \$381m.

For the first nine months, Abitibi recorded a loss of \$15.7m or 25 cents a share, compared with a profit of \$68.7m or 92 cents a year earlier.

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Sales were slightly lower at \$32.3bn, against \$32.5bn. The latest period includes a \$42m special restructuring charge.

Abitibi also blamed soft markets for most paper products and the high level of the Canadian dollar against the US currency.

## Deere to rein back production

DEERE & CO, the US farm equipment manufacturer, is to cut production of its agricultural machinery as a result of a 34 per cent drop in September retail sales in the industry, compared with those of a year ago, Reuters reports.

Deere said it would reduce production schedules and shut some factories for one or two weeks. The aim was to avoid an inventory build-up and minimise workforce reductions.

Mr Hans Becherer, Deere's chairman, said declining domestic farm equipment sales and weaker results in Europe would result in lower sales and earnings for the fourth quarter ending October 31, compared with those of a year ago. However, the company expected record earnings for the year.

The group earned \$5.06 a share in 1989, and some analysts were forecasting earnings of about \$5.90 a share for fiscal 1990.

Mr Becherer said that most of the shutdowns would occur in the first quarter, which would adversely affect first-quarter earnings but would make operations more efficient for the full year.

## Software publishers note opposing trends

By Louise Kehoe in San Francisco

MICROSOFT and Lotus Development, the two leading publishers of personal computer software, reported contrasting results for their latest fiscal quarters yesterday.

While Microsoft recorded a 77 per cent increase in net income, Lotus suffered a 68 per cent income decline.

Microsoft pushed up net income for its first quarter to \$78.5m or 71 cents a share from \$48.8m or 43 cents. Its revenues were ahead by 67 per cent at \$369.4m, compared with \$225.2m in the same period a year ago.

"We were particularly pleased with the strong demand for Windows 3.0 and applications products for the Windows 3.0 environment during the quarter," said Mr Michael Hallman, president and chief operating officer.

Windows 3.0 is a program that provides IBM-compatible computers with many of the ease of use features associated with Apple's Macintosh personal computers.

In contrast, Lotus said revenues grew only slightly in the quarter and net income declined.

The company also announced a plan to repurchase up to 5m shares of its outstanding common stock, or approximately 12 per cent of its 43m shares outstanding.

Net sales for the third quarter totalled \$167.4m, a 5 per cent increase over sales of \$159.9m in 1989's corresponding quarter.

Net income totalled \$8.6m or 30 cents a share, a 63 per cent decrease from net income of \$23m or 84 cents a share in the 1989 period.

For 1989's first nine months, Lotus' revenue rose 23 per cent to \$488.1m from \$400.1m. Net income climbed 43 per cent to \$64.8m or \$1.27 per share, from \$38.5m or 82 cents per share.

Results were badly affected by the transition to a new version of Lotus' primary product, the Lotus 1-2-3 spreadsheet program, the company said.

This announcement appears as a matter of record only.

NEW ISSUE

OCTOBER 1990



KANSALLIS-OSAKE-PANKKI

(Incorporated with limited liability in the Republic of Finland)

¥4,000,000,000

16.3 per cent. Nikkei-Linked

Notes due 1991

Issue Price 101.125 per cent.

New Japan Securities Europe Limited

Bankers Trust International Limited

IBJ International Limited

Kansallis Banking Group

The Lucky Securities Co., Ltd.

Sumitomo Trust International plc

Wells Fargo &amp; Company

US\$100,000,000

Floating rate subordinated notes due July 1997

In accordance with the provisions of the notes, notice is hereby given that for the interest period 17 October 1990 to 17 January 1991 the notes will carry an interest rate of 8 1/2% per annum.

Interest payable on the relevant interest payment date 17 January 1991 will amount to US\$217.22 per US\$10,000 note and US\$1,086.11 per US\$50,000 note.

Agent: Morgan Guaranty Trust Company

JPMorgan

NOTICE TO THE HOLDERS OF

NIGATA ENGINEERING CO., LTD.

U.S. \$200,000,000

7 1/2 per cent. Convertible Bonds Due 1998

(the "Bonds")

Pursuant to Chapter 9(c)(4) of the Trust and Conditions of the Bonds and Section 19A of the Trust, the Bonds will be redeemed on October 1, 1990 at the principal amount of \$200,000,000 plus interest.

1. As a condition to the redemption of the Bonds, the holders of the Bonds will be required to tender the Bonds to the Trust at the principal amount of \$200,000,000 plus interest.

2. The redemption price of the Bonds will be adjusted effective October 1, 1990, to reflect the change in the conversion price of the Bonds from \$20.00 to \$22.50.

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FIDELITY INVESTMENTS

FIDELITY DISCOVERY FUND

SOCIETE D'INVESTISSEMENT A CAPITAL VARIABLE

33, BOULEVARD PRINCE HENRI

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DIVIDEND NOTICE

At the Annual General Meeting held on August 30, 1990, it was decided to pay a dividend of USD 0.17 (17 cents) per share on or after October 22, 1990 to shareholders of record on October 1, 1990 and to holders of bearer shares upon presentation of coupon No 6.

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## INTERNATIONAL COMPANIES AND FINANCE

## Kumagai Gumi to reduce its US operations

By Robert Thomson in Tokyo

KUMAGAI Gumi, the Japanese construction company, said yesterday that it is planning to reduce its US operations to concentrate on the more lucrative domestic market.

In an unrelated development yesterday, the company was sued by about 100 officials of Japan's Labour Standards Bureau, which is investigating the collapse in January of a Tokyo railway tunnel under construction by Kumagai Gumi and its sub-contractors.

The suit adds to an already awkward year for Kumagai Gumi. The company has admitted that foreign operations have become less profitable and that it will sell \$1.125bn (£830m) of overseas properties over the next five years, while its reputation has been hurt by the Tokyo tunnel accident.

Company officials said yesterday that eight companies established in the US would be brought under the authority of the Dallas-based Kumagai International USA, which will attempt to streamline US operations.

A company spokesman denied a Japanese press report that the reorganisation is to be undertaken simply to enable the company to organise the rapid sale of US property holdings, estimated at \$200bn, as part of its promised international sell-off.

He said the sell-off plans, announced in June, have not been changed, and "we are not in a hurry". The point of the sales is "to reduce the time that we keep properties because we are just a developer", while the proceeds will

be used to fund new developments.

Kumagai's affiliates and subsidiaries in the US include KGL Land New York, which lodged a bankruptcy filing for a joint venture company, Americas Tower Partners, after Kumagai's partner in a 45-storey Manhattan property venture failed to furnish its share of the necessary finance.

While the failure was not Kumagai's fault, the problems highlighted a danger of the company taking an active financial role in projects, and drew attention to its policy of maintaining a large property portfolio of its own.

Other Kumagai companies in the US include KGC Construction, KGL Land California Corporation, and Kumagai Corporation, all based in Redwood City, California, and KGC Construction in New York, as well as two Hawaiian companies, KGC (Hawaii) Corporation and Kumagai Properties Inc.

As for the investigation into the tunnel collapse, a company spokesman expressed surprise at the use of 100 Labour Standards Bureau staff, although Japanese government departments sometimes punish companies with embarrassing media coverage of large-scale accidents.

The Labour Ministry, which controls the bureau, yesterday announced the investigation was the largest ever conducted, and will focus on the allegation that Kumagai Gumi or its sub-contractors were negligent in their work on the tunnel.

Kumagai Gumi said that the company "has fully co-operated with the bureau" and "we don't know why they have taken this strong action".

## Telecom Australia at AS1.29bn

By Philip Gawth in Johannesburg

TELECOM Australia, the state-owned communications company, said yesterday that it is planning to reduce its US operations to concentrate on the more lucrative domestic market.

The result was a 32 per cent increase in its 1989-90 profit of A\$973.1m, the company said. Revenue climbed to A\$5.88bn from last year's A\$7.98bn.

The year was the first in which the company operated as a corporation and not a government bureaucracy, but it did not pay tax, which it will do in the financial year of 1990-91. Had tax been paid, the 1989-90 net profit would have been A\$787m.

Australia's Labor government said in September it plans to merge Telecom with OTC, the state-owned overseas communications company, and allow it to compete with a private consortium in all domestic and international networks.

In the year to June 30 1990, OTC recorded a net profit of A\$152.45m on revenue of A\$1.52bn.

Telecom's result makes it Australia's biggest profit earner, exceeding the A\$1.1bn profit of Broken Hill Proprietary in the year to June.

## Rand Mines moves to profit on gold

By Philip Gawth in Johannesburg

A SIGNIFICANTLY improved performance at the ERPM mine, following the sale of some sand dumps and slimes dams, allowed Rand Mines' gold division to show a small profit in the September quarter following a large loss in the previous quarter.

The five mines - Harmony, Rynor, Durban Deep, ERPM, and Barbrook - produced 12,155kg of gold, against 12,318kg in the June quarter, to show an after-tax profit of R1.95m (\$780,000) following a R16.7m loss in the previous quarter. The group did well to restrict the rise in the average underground cost per kilogram of gold produced to only 1.39 per cent, but at R33.86/kg, against R33.24/kg, this was still above the average

gold price of R32,172/kg for the quarter.

The three mines to make a profit were ERPM, Rynor and Durban Deep. ERPM, recently saved from closure by the findings and recommendations of the Melamet Commission, did best turning an after-tax loss of R24.5m into a R12.6m profit.

Although the mine did well to reduce its working loss from R16.3m to R5.03m, the boost came from the R26.1m recovered through the disposal of the slimes dams and sand dumps. Working costs were down to R47.8m from R49.8m, reflecting the effects of the rationalisation programme, and underground grades improved significantly from 4.9 g/t to 5.17 g/t.

The equipping of the Far

East Vertical shaft, which is where the future of the mine lies, has begun. Rynor and Durban Deep both produced marginally more gold in the quarter, 2,224kg and 2,707kg respectively, to record after-tax profits of R3.18m and R2.9m.

The largest mine in the group, the highly marginal Harmony, suffered from labour unrest in the quarter and recorded an after-tax loss of R11.6m having more or less broken even in the previous quarter. Underground fires at three different shafts also contributed to gold production dropping from 7,505kg to 7,268kg.

The fledgling Barbrook mine also underperformed as a result of labour unrest and grades below anticipated lev-

els. A new mining plan is being prepared and the mine's financial position is being reassessed.

All the mines, except ERPM, have sold significant portions of their production forward as far as the third quarter of 1991 at prices between R34,000/kg and R37,800/kg.

Withank Colliery, the coal arm of Rand Mines, suffered the effect of reduced export shipments to record a 13 per cent decline in after-tax profit to R50.6m (R58.4m) in the September quarter. Offsetting the reduction in export tonnage and lower domestic demand was a substantial increase in offtake by electricity supplier Eskom for operational requirements at Duvha and Kendal power stations.

## Telekom Malaysia goes well

By Lim Siong Hoon in Kuala Lumpur

TELEKOM Malaysia, the nation's telecommunications monopoly, overcame bearish sentiment on the domestic stock market to draw applications totalling M\$1.5bn (US\$555m), or double the M\$740m it had aimed to raise from its public flotation.

The issue of 147.5m shares, out of 470.5m shares eventually to be divested, is 7 per of its share capital.

Support was bolstered by relaxing a government edict and so allowing insurance companies and merchant banks to take part.

Allotment for the shares, issued at M\$5 each, was completed yesterday.

The government aims to raise nearly M\$2.5bn in selling 25 per cent of the group. However, half of the new shares are placed with state institutions.

Telekom's sale has been carried out at the same time as campaigning for the country's general election. In the governing party's campaign, it used its widespread privatisation programme as an example of a new economic order it promises to bring.

## Shares in Agricola Resources 'now worthless'

By Terry Hall in Wellington

SHAREHOLDERS in Agricola Resources, set up in 1985 to buy and operate farms and orchards, were told yesterday their shares were worthless.

They also heard the company incurred a NZ\$11.34m (US\$7m) loss in the year to June. Last year it lost NZ\$27.26m.

It has been under pressure to

clear its debts from its main creditor DFC New Zealand, the collapsed bank in statutory management. Agricola was a sizeable investment by DFC, with a 72 per cent shareholding.

Yesterday Agricola said it had sold all its assets, but had not cleared its debt. In March

this was NZ\$8m. Latest accounts show liabilities at NZ\$5.8m, and negative shareholders funds of NZ\$1.45m.

Revenue for the year to June was NZ\$24.38m compared with NZ\$13.51m.

DFC's statutory manager placed Agricola's main asset, New Zealand's largest kiwifruit

orchard, in receivership in August. It was sold for less than a third of its government valuation of NZ\$5.7m.

Other assets sold recently include an angora goat stud, a goat farm, alpaca and llama herds, an abattoir and an investment in a salmon company.

## Anglovald Group

Mining companies' reports - Quarter ended 30 September 1990

## Horobeesfontein Gold Mining Co Ltd

Reg. No. 005238000

Issued capital: 112 000 000 shares of 10 cents each

Financial results for the quarter ended 30 September 1990

	Quarter ended 30 Sept 1990	Quarter ended 30 Sept 1989	Financial year ended 30 June 1990
Operating results			
Gold recovered	757 000	758 000	2 219 000
Costs	6 874	6 996	20 531
Profit	750 126	751 004	2 198 469
Revenue	31 251	31 254	92 675
Costs	28 125	28 125	81 194
Profit	3 126	3 129	11 481
Revenue	214 982	214 982	647 522
Costs	181 135	181 135	511 044
Profit	33 847	33 847	136 478
Low-grade gold plant			
Gold recovered	450 000	440 000	1 725 000
Costs	581	581	1 725 000
Profit	449 419	439 419	1 723 275
Revenue	42 444	42 444	126 444
Costs	41 995	41 995	124 995
Profit	449	449	1 449
Revenue	21 417	21 417	64 251
Costs	21 417	21 417	64 251
Profit	0	0	0
Revenue	18 589	18 589	55 828
Costs	18 589	18 589	55 828
Profit	0	0	0
Revenue	8 615	8 615	25 845
Costs	8 615	8 615	25 845
Profit	0	0	0

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**Dated: 17th October, 1990.**

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UK COMPANY NEWS

# Mt Charlotte says no to 'absurd' Brierley bid

By Andrew Bolger

MOUNT Charlotte Investments, Britain's second biggest hotel group, yesterday urged shareholders to reject the 73p per share offer from Brierley Investments (BIL), the New Zealand company founded by the entrepreneur Sir Ron Brierley.

Mount Charlotte said the offer, which values the group at \$644m, represented a 40 per cent discount to Mount Charlotte's net asset value of 122p a share. Mount Charlotte shares yesterday closed 1/4p lower at 68 1/2p.

Mr Robert Peel, Mount Charlotte's chief executive, said: "It would be absurd for shareholders to accept this offer. Frankly, if we chose to liquidate the company ourselves at today's asset values, it would be worth 105p per share after an estimated Capital Gains Tax charge of 17p per share."

BIL launched its bid last

month after acquiring a 10.1 per cent stake in Mount Charlotte from the Kuwait Investment Office. Since the New Zealand group already had a stake of 28.8 per cent, the purchase obliged it to make an offer for all the remaining shares.

BIL insisted that the bid was not in any way hostile and said it would wish the existing management at Mount Charlotte to continue running the group, which with nearly 14,000 rooms in the UK is second only to Trusthouse Forte.

BIL also said it would be happy with anything between a 40 per cent stake and full control.

Mr Peel said he had almost completed the integration of the assets, which Mount Charlotte bought last September for \$644m from Scottish and Newcastle Breweries.

Pre-tax profits were forecast

to rise from \$47.6m to not less than \$52m for the current year.

Mount Charlotte expects to lift the dividend for the year to December 30 to 1.48p, an increase of 14.7 per cent. Earnings per share are forecast at 5p, down 14 per cent.

The share price has fallen sharply since last year because of market concern about delays in planned asset disposals. Mr Peel said at the time of the hostile bid that he intended to raise \$200m from sales and has so far raised only \$25m.

Mr Peel said Mount Charlotte's gearing was 55 per cent, below the level of competitors such as Queens Moat Houses and Ladbrokes Group. He expected to complete the rest of the disposals by next year.

BIL said only that its offer represented a prospective exit multiple of 14.6 times.

See Lex

# Tilbury hits Lilley profits

By Andrew Taylor, Construction Correspondent

LILLEY, the Scottish-based construction group, said yesterday that the cost of acquiring a 29.5 per cent stake in Tilbury, a rival construction group, had reduced profits by \$785,000 in the first six months of this year.

Lilley was left with its holding after a \$137m bid to acquire Tilbury narrowly failed last summer.

Since then Philipp Hozmann, the West German construction company, has also bought a 14.05 per cent stake in Tilbury.

Mr Bob Rankin, the chief executive, said pre-tax profits the first half of 1990 had fallen by 30 per cent, from \$2.1m to \$1.5m.

Turnover increased from \$58.7m to \$114.4m.

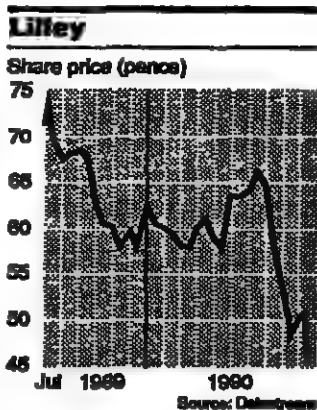
Profits would have fallen by only 10 per cent if the cost of holding the Tilbury stake had been excluded, he said.

Earnings per share fell from 4.15p to 3.59p. The interim dividend is again 1p.

Tilbury, which two weeks ago announced an 8 per cent fall to \$9.44m in first half pre-tax profits, contributed \$2.29m of operating profits to Lilley.

This was reduced to a net loss of \$785,000 after interest charges of \$3.17m on the \$40m of borrowings raised to acquire the Tilbury stake.

Lilley, which has made a series of acquisitions during the past 12 months, paid \$4.6m interest in the half, compared



with \$570,000 interest received. Borrowings at the end of June stood at \$70m, against shareholders funds of \$28m.

"Gearing comes down to about 85 per cent if the debt associated with Tilbury is taken into account. The interest cover is 2.4 times," said Mr Rankin.

He said the group's contracting and specialist construction and equipment divisions performed well and increased their combined turnover by 21 per cent and operating profits by 76 per cent.

Contracting profits were \$5.43m (\$2.34m), and specialist activities \$3.2m (\$1.61m).

In property development and housebuilding, however, profit fell sharply from \$2.64m to \$233,000 after a \$2.1m write

down in land values involving two property deals.

**COMMENT**

Lilley's mix of businesses should have made it a good defensive play in a construction sector suffering badly from a sharp downturn in residential and commercial property investment. Its exposure to housing is relatively low. About 60 per cent of its construction order is in growth areas such as water, roads, airports and other infrastructure, as well as a lot of onshore work for the North Sea oil and gas industry. The share price, however, fell 5 1/4p yesterday to a low for the year of 45 1/4p. The stock market remains concerned about the balance sheet following a string of acquisitions. Gearing, even without the Tilbury stake, remains high; and this does not take into account another \$40m of balance sheet debt in property joint ventures. The low exposure to housing means the company is less likely to be regarded as a major investment opportunity when sentiment eventually turns in favour of housing. Meanwhile, the shares are unlikely to go anywhere until the Tilbury situation is resolved. It might be better to sell that stake even if it means a loss. Profit forecasts for the year vary from less than \$14m to \$16m, compared with \$19m in 1989.

# Propeller completes sub-underwriting

PROPELLER, the troubled casual wear distributor, said yesterday that sub-underwriting of a planned 3-for-2 rights issue designed to shore up its stretched financial position had been completed, writes Clare Pearson.

The sub-underwriters of the

\$2.25m issue are lenders to the company. It is fully underwritten by Brown Shipley Stockbroking.

Propeller now hopes to dispatch a circular on Friday asking shareholders to approve the issue.

Sub-underwriting was

delayed last week when Corion Beech, USM-quoted mini-company, which holds 21.9 per cent of the Propeller shares, went into receiver ship.

Brown Shipley has now been appointed as trustee for the shares.

## ARROWS LIMITED

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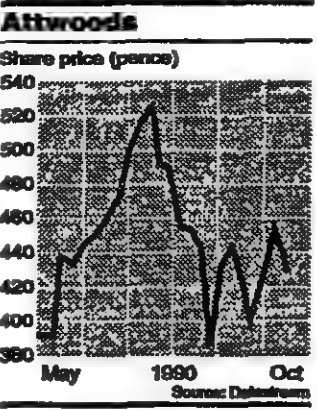
# UK setback pegs growth at Attwoods to £28.5m

By Juliet Sychnra

ATTWOODS, the waste disposal company which has much of its business in the US, yesterday reported a 42.5 per cent increase in pre-tax profits to \$28.5m in the year to July 31.

The downturn in the UK construction sector pushed UK earnings down an unexpected 36 per cent and left overall profits at the bottom of the City's range of forecasts.

Earnings from the US waste disposal business, which made up 90 per cent of total pre-tax profits, were by contrast slightly better than expected, up 55 per cent on the previous year. MedX, the company's clinical waste disposal business did not relist the 10 per cent on the previous year.



Turnover rose by 71 per cent to \$232m. Of the revenue growth figures, Attwoods said 15 per cent was organic and 57 per cent came from acquisitions.

Earnings per share rose 20 per cent to 25.14p. A final dividend of 8.25p brought the total dividend to 9.5p per share, compared with 8p last year.

Mr Ken Foreman, chairman, said: "Trading in the current year has commenced well, but should the economic climate in the US further deteriorate, our past record of growth could be difficult to maintain, at least in the short term. The long-term future, however, looks both promising and exciting."

Most dramatic growth came from Omega, the portable sanitation business in Germany, which was acquired last May, where seasonal summer demand first registered in the results, bringing total profits in Europe up from \$916,000 to \$2.84m.

After its \$28m rights issue in June, the company was able to reduce gearing from 82 per cent at July 31 last year to 28 per cent.

**COMMENT**

Mr Foreman's expectation of around 15-20 per cent internal growth across all the company's businesses in the year to July 31 looks realistic - but two possible clouds on an otherwise bright horizon are prompting some analysts to drop forecasts closer to 10 per cent. The first is that a weaker US dollar against sterling could depress the company's reported earnings next year. The second is that a company that generates around 90 per cent of its earnings in the US cannot be invulnerable to recession, a point Mr Foreman made himself. Recessionary fears, despite Foreman's cautionary words, could also be overcome. Minds Industrial Corporation, the recycling business acquired in 1989, is at least one operation Mr Foreman expects to be reasonably recession-proof. Add to this the effect of new acquisitions appearing for the first time next year, plus a dash of bid speculation relating to Laidlaw's stake in the company, and it is not difficult to see why analysts are talking about \$41m pre-tax and EPS of 29p upwards for next year. A price of 435p, down 12p, puts the shares on a prospective p/e ratio of 15, well above the market average, but still reasonable against take-out valuations in the sector.

# Polly Peck shares drop in Zurich

By Richard Waters and Simon London

SHARES AND bonds in Polly Peck International, the troubled fruit electronics and leisure group, plunged on the Zurich Stock Exchange yesterday after a three-week trading suspension was lifted.

The shares started trading at 2.25 cents (90p), but within three minutes had plummeted to just 0.5 cents, before recovering to close at 1 cent.

This valued the group at only around \$180m, compared with more than \$250m earlier this year and \$488m at the time shares were suspended.

Polly Peck's six Swiss bond issues promptly lost around half their value.

Zurich's decision to relist the securities were last traded on September 21, brought consternation in London, where a trading suspension remains in force.

Although UK investors were able to deal through Zurich, if they could find a broker to handle their orders, members of the International Stock Exchange are forbidden by the market's rules from dealing in another market if London remains closed.

This means that market makers, some of whom were caught with large numbers of shares during the frenzied trading in the run up to the suspension in London, were unable to offload shares in Zurich yesterday.

The ISE said it had received calls from members asking why it had not relisted the shares, although it refused to say whether these amounted to "complaints". A decision had been taken not to allow trading to recommence until Coopers & Lybrand Deloitte, the accountancy firm, had produced a report into Polly Peck's finances, it said.

The Zurich exchange said it had decided to relist the shares and bonds since more information was now available to investors than at the time they were suspended, and because investors did not want to wait another month for the Coopers report before being able to trade.

The ISE had been warned in advance and neither approved nor disapproved, Zurich said - a comment confirmed by the ISE.

Typical of the performance of Polly Peck's bonds was the

5 1/2 per cent bond due 1993, which was trading at a price of around 85 per cent in late afternoon yesterday, having been suspended on September 21 at 69 per cent.

The 6 1/2 per cent bond due for redemption on November 19 fared slightly better, trading at 80 per cent against a pre-suspension price of 97 1/2 per cent.

Polly Peck is believed to have covered the redemption payments on this issue in its cash flow projections.

Dealers in Switzerland reported that the mark-down had taken place against a background of relatively light trading volume, suggesting that it reflects market makers' assessment of value, rather than a massive retail sell-off.

# Weak demand means St Ives' growth ends

By Richard Gourley

TOUGH TIMES in magazine and commercial printing yesterday ended a run of impressive growth at St Ives, Britain's highest independent printer, when the company announced pre-tax profits for the year to July 31 up only 1 per cent.

The pre-tax figure of \$29.1m was achieved on turnover up 35 per cent to \$226m, although margins were only 1 per cent lower if the turnover of four acquisitions St Ives made in the year was stripped out, the company said.

During the year the acquisitions accounted for most of an 18 per cent increase in sales, and distribution costs and administrative expenses up 22 per cent.

Mr Robert Gavron, the chairman, said weakness in demand in the books, magazines, financial and commercial printing areas had hit volume and prices. Trading in the short term would be extremely difficult and profits would depend on when the economy turned round.

The board recommended a final dividend of 3.5p, making a total for the year of 5p, up 18 per cent on 1989. The shares closed up 5p at 150p.

St Ives spent \$17.8m in cash on its four acquisitions. They were Weiss of Miami, which prints Time, Reader's Digest and Newsweek, Talbot, a small electronic publishing company, and two small packaging companies.

The company also spent \$26m on fixed assets, compared with a \$100m investment programme over four years. Despite this cash outflow, St Ives ended the year with no net gearing.

When St Ives bought Weiss



Robert Gavron: volumes and prices were lower and trading in the short-term would be difficult.

it paid \$13.5m in goodwill, which it has written off against reserves, reducing the size of the balance sheet from \$23m to \$74m.

The company also made an extraordinary provision of \$7.5m, including \$450,000 after tax for costs already incurred in an aborted purchase of HunterPrint, the all-print company. The balance relates to costs St Ives expects to incur over the next 18 months for the closure of two West Country factories and the cost of redecoration and relocating in a new larger site near Bodmin.

gloss should leave this printer's earnings record at a time when advertising levels, and therefore magazine pagination, are at their worst for over a decade. Preventing any fall in profits from sectors that are all being squeezed is a tribute to how tightly the St Ives ship is still run.

Furthermore, the company's investment programme in new web offset plant, tight cost control and the pressure it has brought to bear on its suppliers has raised productivity so that it is well placed to take advantage of any retrenchment within the industry.

It may be that picking up business from companies going

to the wall or retrenching, like HunterPrint, may be St Ives' best chance of substantially increasing market share in the UK in a mature and competitive industry.

Aboard, earnings momentum may be restored through further expansion in the US. It remains to be seen if the group follows its first tentative moves into the fragmented packaging industry with more acquisitions. Assuming pre-tax profits of \$20.7m for 1991 and earnings per share of 20.5p and a prospective multiple of 8.5 times earnings would make the shares look cheap in more certain times.

# Paterson Zochonis advances to £25.03m

By Clare Pearson

PATERSON ZOCHONIS, the west African trader and manufacturer of detergents and Customs Imperial Leather toiletries, yesterday reported pre-tax profits up from \$23.39m to \$25.03m in the year ended May 31 1990. The share price was unmoved at 300p, the low for the year.

Mr Alan Whittaker, finance director, said it was too early to predict any improvement in the group's substantial Nigerian operations stemming from higher oil prices.

The company was waiting to see whether prices would be sustained long enough to boost revenues of oil-producing Nigeria.

But even if they were, said Mr Whittaker, the Nigerian government's commitment to fighting inflation was likely to make it some time before the benefits were allowed to filter

through to the local economy. Meanwhile, the group's other west African markets would be adversely affected by higher energy prices.

Mr Whittaker said the Nigerian naira had depreciated by 16 per cent against sterling during the period. Despite this, and the "broadly successful" anti-inflationary policies in Nigeria, the 40 per cent-owned company there put in \$4.4m (\$2.33m) to group profits.

In the UK, the Customs toiletries business made progress in turnover, profits and market share. The Pearl soap range was relaunched during the year. Expansion is planned at Customs Australia while in south east Asia the company is working on improving plant and creating distribution networks.

The Interparco group of companies in Francophone contin-

ued in losses.

PZ group turnover increased to \$224.94m (\$205.56m) and generated operating profits of \$9.5m (\$8.26m). Investment income rose to \$17.97m (\$16.55m), while interest payable increased to \$7.14m (\$6.08m).

Earnings per share were 30.51p (30.14p). The final dividend is lifted to 7.4p making 3.45p (3.6p).

**COMMENT**

Economic gloom in west Africa has been casting a long shadow over Paterson Zochonis' strongly-branded toiletry products for so long that the outsider might be forgiven for wondering why investors countenance this unhappy position. They also might question why it continues to sit on a cash pile now worth about \$112m net of bank loans. The

key is, of course, that the Zochonis family has controlled the majority of the shares for as many years as anyone can remember so institutional interest in the company's fortunes is decidedly weak. Though nothing ever really seems to change at Zochonis just at the moment the outlook is looking a little more cheerful in Nigeria while moves to build own-distribution networks for Customs in south-east Asia appear promising. However, taking into account flatish income from investments mostly in sterling deposits, an even grimmer performance from the Interparco trading operation, pre-tax profits for the current year are likely only to better last year's by £1m or so. Given their cash backing, the shares are spectacularly defensive on a prospective p/e of about 8.5.

## DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding dividend	Total for last year
Alcan	11	Nov 28	1	2
Alcan Convert	0.5	Nov 28	1	16
Attwoods	6.25p	Feb 1	5.5	8.5
Barts	2	Jan 5	-	3.75
Brenntag	0.1	Dec 11	0.1	0.2
Edinburgh	2.75	Dec 3	2.5	7
Electric	0.22	Jan 18	0.2	0.6
Furnell Elect	2.5	Dec 7	2.1	4.6
Lilley	1	Dec 7	1	2.5
Med	0.7	Jan 2	0.7	4.7
Paterson Zochonis	7.4	Nov 30	6.95	9.6
St Ives	3.5	Dec 4	3	4.25
Thorncliffe	2.2	Nov 30	1.85	3.5
Tudor	1	Dec 14	1	2.7

Dividends shown pence per share net except where otherwise stated. \*Equivalent after allowing for scrip issues. †On capital increased by rights and/or acquisition issues. US\$M stock.

## BOARD MEETINGS

The following companies have notified dates of board meetings in the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official information is not available as to whether the dividends are interim or final and the subdivisions shown below are based mainly on last year's finalities.

Company	Future Dates
Interparco	Oct. 17
Paterson Zochonis	Oct. 18
Thorncliffe	Oct. 20
Edinburgh	Oct. 21
Electric	Oct. 22
Paterson Zochonis	Oct. 23
Paterson Zochonis	Oct. 24
Paterson Zochonis	Oct. 25
Paterson Zochonis	Oct. 26
Paterson Zochonis	Oct. 27
Paterson Zochonis	Oct. 28
Paterson Zochonis	Oct. 29
Paterson Zochonis	Oct. 30
Paterson Zochonis	Oct. 31

## BUSINESS TRAVEL

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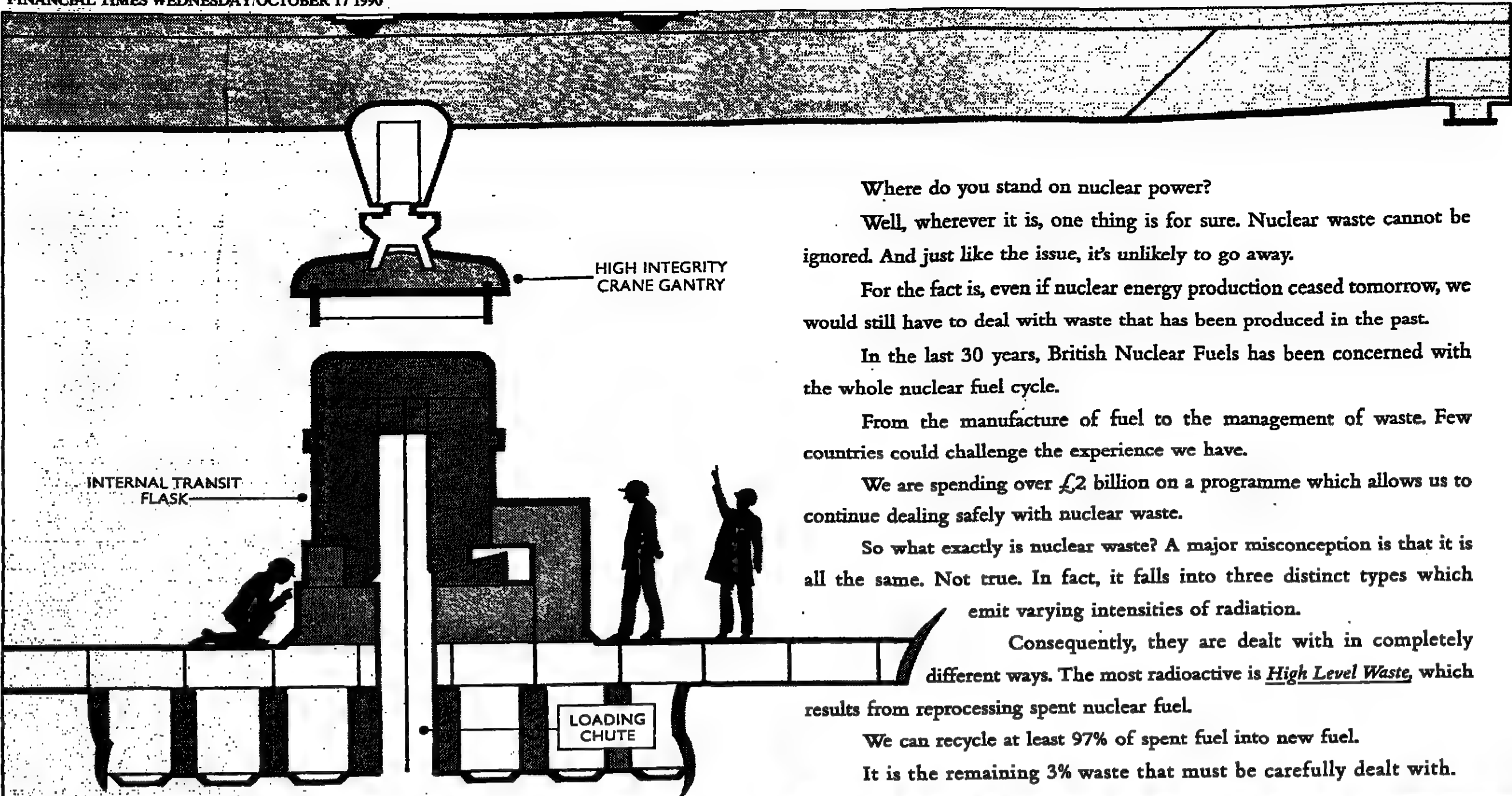
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Where do you stand on nuclear power?

Well, wherever it is, one thing is for sure. Nuclear waste cannot be ignored. And just like the issue, it's unlikely to go away.

For the fact is, even if nuclear energy production ceased tomorrow, we would still have to deal with waste that has been produced in the past.

In the last 30 years, British Nuclear Fuels has been concerned with the whole nuclear fuel cycle.

From the manufacture of fuel to the management of waste. Few countries could challenge the experience we have.

We are spending over £2 billion on a programme which allows us to continue dealing safely with nuclear waste.

So what exactly is nuclear waste? A major misconception is that it is all the same. Not true. In fact, it falls into three distinct types which emit varying intensities of radiation.

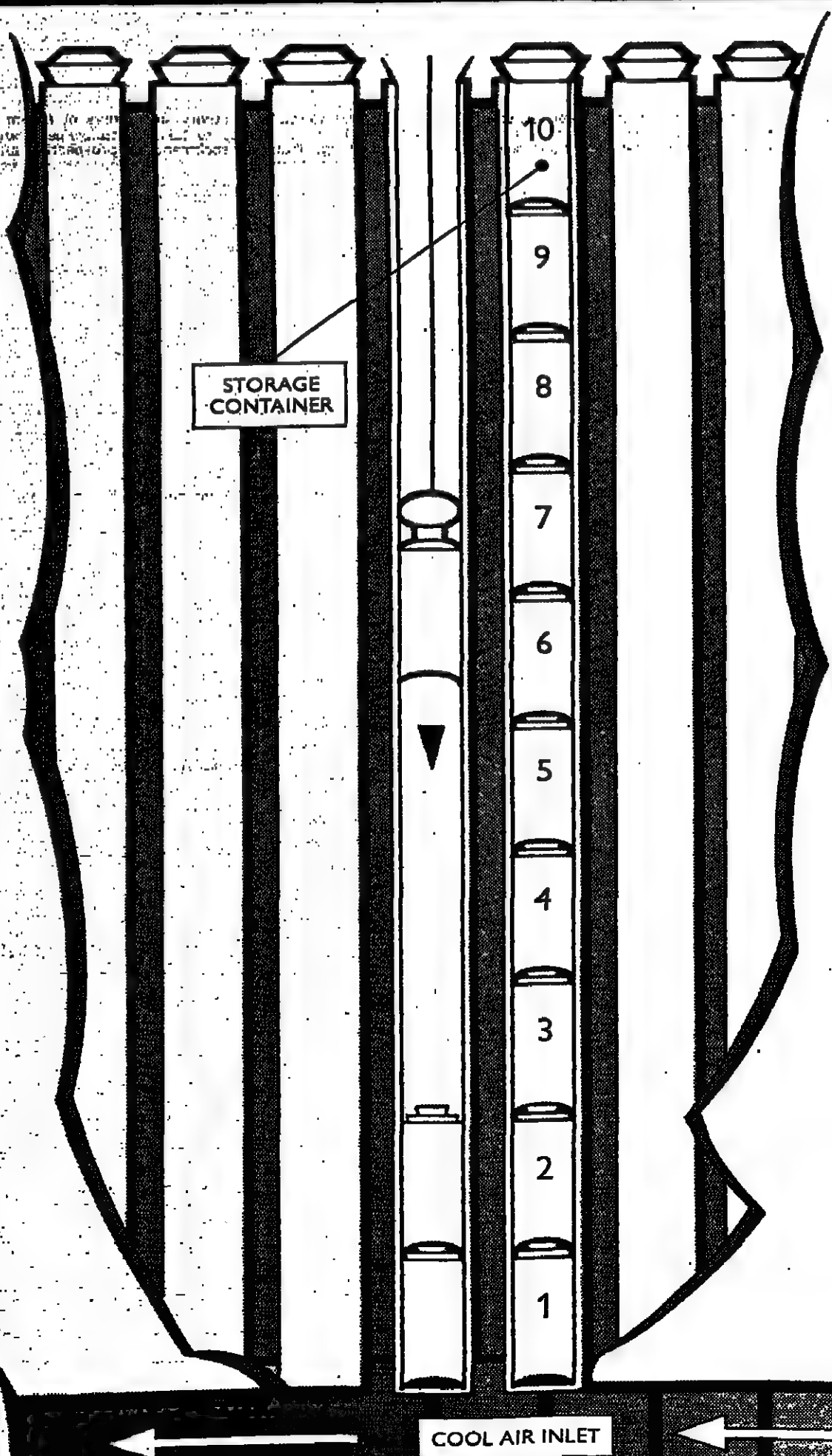
Consequently, they are dealt with in completely different ways. The most radioactive is High Level Waste, which results from reprocessing spent nuclear fuel.

We can recycle at least 97% of spent fuel into new fuel.

It is the remaining 3% waste that must be carefully dealt with.

**NUCLEAR WASTE  
CAN BE  
CONTAINED.**

**THE ISSUE  
CANNOT.**



At present, high level waste is stored as a liquid inside double-walled, cooled stainless steel tanks enclosed in thick concrete walls.

However, we have brought into operation a process called 'vitrification', in which liquid waste is converted into glass and sealed inside stainless steel containers to be kept safe for the indefinite future.

This method reduces the waste to 1/3 of its original volume.

Or, to look at it another way, all the high level waste produced at Sellafield in the last 30 years could be contained in just 4 double-decker buses.

A far less radioactive type of nuclear waste, known as Intermediate Level Waste, occurs when the nuclear fuel rods are stripped in the first mechanical stage of reprocessing.

The scrap metal, sludge, and residues that are involved in this operation are sealed in cement inside steel drums, and stored in our special encapsulation plant until a suitable long-term home has been found.

At the moment, sites at Sellafield and at Dounreay in Scotland are under scrutiny from geologists to see whether either is suitable for a deep underground repository.

The least radioactive waste of all is Low Level Waste, such as paper towels, gloves, protective clothing and laboratory equipment which not only come from the nuclear industry but from hospitals, research laboratories and other industries where radioactive materials are handled.

Despite the fact that radiation from low level waste is negligible, we take no chances.

At Drigg in Cumbria, we've built and use a concrete vault the size of 12 football pitches, and we are developing a method of compacting this type of waste, which means Drigg won't be full until well into the 21st Century.

If you'd like to know more about the way we manage nuclear waste write to Information Services, Risley, Warrington WA3 6AS for our nuclear waste brochure, or our video.

Better still why not come and visit us at the Sellafield Visitors Centre. Because, anything you want to know about waste management is contained within it.

**BRITISH NUCLEAR FUELS**  
Managing waste at Sellafield.



## UK COMPANY NEWS

# Thorntons rises 14% on resilient chocolate demand

By Jane Fuller

THE UK PUBLIC'S taste for chocolate proved relatively resilient to the squeeze on consumer spending, according to Thorntons, the family-controlled manufacturer and retailer which increased pre-tax profit by 14 per cent to £11.3m in the 53 weeks to June 30.

The taxable figure, which compared with £9.8m for the previous 52 weeks, was made on turnover up 25 per cent to £26.2m (£26.7m). The figures included a £3.9m sales contribution, but only a small amount of profit, from the 64-outlet French confectionery business acquired in September last year. Also during the year, the group sold Mary Morris, its greeting card retailer.

Mr John Thornton, chairman, said turnover in UK retailing was up by 15 per cent to £25.4m. The number of shops increased by 17 to 265 and the number of franchises by 21 to 138. Like-for-like growth was about 6.5 per cent, with the second half providing the greater improvement - Father's Day had been a particular success.

Because the shops offered a lot of low-ticket items, they were insulated against the spending squeeze. "People still have to treat themselves to something," he said.

Sales to other retailers, including Marks and Spencer, grew by 18 per cent to £9.2m, and a start was made on the selling of ice cream through supermarkets.

The two French acquisitions, one of which had been loss-making, had been combined, enabling an office and some shops to be sold, bringing in £1.3m since the year-end. Central distribution had reduced stock holding and chocolate

ranges had been introduced from the UK, mostly under the French brand name Marital.

The profit contribution from property sales increased to £783,000 (£506,000).

Interest received fell to £389,000 (£790,000) and gearing stood at 5 per cent in June.

Earnings per share, benefiting from an over-provision for taxation, rose to 12.54p (10.19p). It would have been 11.7p without the tax distortion.

A final dividend of 2.3p makes a total of 3.3p (2.5p).

**COMMENT** Although the like-for-like growth was slower than it might have been in a more buoyant period, Thorntons certainly established its defensive credentials with these figures.

It maintained good margins with the help of a 12 per cent improvement in productivity, in a year in which capital spending peaked at about £13m. It also got rid of the non-core Mary Morris business and achieved a small profit in France, the turnaround coming more quickly than had been anticipated. It also made encouraging noises about the French response to its wares, which have been adapted to a less sweet tooth. Meanwhile further progress is being made in the UK via shop openings and sales to other retailers. A forecast pre-tax profit of approaching £13m this year gives a prospective multiple of just over one on yesterday's closing price of 119p. Not only is the share price below the May 1988 flotation price of 125p, but also the rating - tarred with the small company brush - has gone from a premium to a discount. It now looks worth buying.

## Maggie Urry details the MMC's findings on the GrandMet/Elders suggested pubs-for-breweries deal

### Higher beer prices and reduced choice expected to result from proposed merger

WHOLESALE BEER prices would be higher and local consumer choice be narrower if the GrandMet/Elders pubs-for-breweries swap went through as originally envisaged by its proponents, the Monopolies and Mergers Commission has found.

The report on the deal, published yesterday, also said that undertakings offered by the two sides were not sufficient to allay the adverse effects of the merger of the brewing industry.

The MMC proposed its own list of recommendations. Unless these were implemented "the mergers of the parties' brewing and retailing interests should not be allowed".

The deal has three elements. GrandMet, a drinks, food, pubs and restaurants group, would sell its four breweries to Elders, to be added to Elders' three Courage breweries. One of the GrandMet breweries and 440 pubs might be sold to an outside party.

The merger would reduce the number of national brewers from six to five, which the MMC report said, "would significantly increase concentration".

Although the two sides were relatively weak competitors at present the combined brewery business would have a market share of more than 20 per cent. With Bass, the UK's largest brewer, holding 22 per cent, this would mean two groups having more than 40 per cent.

The MMC was told that although there was substantial spare capacity in the UK brewing industry, domestic beer prices had risen in real terms.

Between July 1987 and July 1989 the price of a pint of bitter or lager, excluding duty and tax, rose nearly 7 per cent more than inflation.

The two sides estimated that a merger of their breweries would lead to 15 per cent cost savings. However, other parties

SHARE OF TOTAL UK BEER SALES (%)									
	1978	1985	1989	By type of beer			By type of outlet		
			Total market	By type of beer	Lager	Tied on-trade	Free on-trade	Off-trade	
GrandMet	13	12	11	9	13	9	12	14	
Courage	22	21	20	9	10	10	8	10	
Tollat	17	13	12	18	22	19	26	24	
Allied	17	13	12	12	13	13	13	11	
Bass	20	22	22	20	24	31	19	18	
Whitbread	15	11	12	12	12	11	13	13	
S&N	11	10	10	13	7	5	15	15	
All national brewers	83	78	77	75	78	69	85	81	

Estimated final sales (to excluding sales to other brewers)

Includes about 170m of individual figures may differ from totals because of rounding

Source: MMC Beer report and GrandMet/Courage estimates

ties which gave evidence to the MMC thought it unlikely these savings would all be passed on to customers.

The MMC decided that the adverse effects of the merger outweighed the benefits. It recommended that it should be allowed if the combined group's market share was cut to 15 per cent by further sales of brands or capacity. An argument from the combined group that the combined market share would fall to 15.8 per cent anyway did not cut much ice.

The second and third elements of the deal would result in each side having a 30 per cent share in Interpreneurial Estates (ILE) which would operate the Courage pubs and buy 3,565 pubs from GrandMet. It would then sell 1,540 pubs ending up with 6,950 pubs. Of

these 570 would be leased to GrandMet which would also keep 1,160 pubs.

Of the total held between ILE and GrandMet more than 6,500 pubs would be "let" to the post-merger Courage breweries. The tie, under which a landlord is required to buy beer from the brewery which ultimately owns the pub, is an important feature of the UK brewing industry. It was attacked in the MMC's report on the industry last year and the government has introduced a measure - the "tied estate order" - intended to weaken it.

The report said that after the deal 30 per cent of the pubs tied to the national brewers would be tied to Courage. The parties propose that supply agreements between Courage and the pubs would start to

unwind after five years and end completely by 2001.

However, the MMC felt that this was not rapid enough and recommended that the tie to all the ILE and GrandMet pubs should end after five years from the merger. The offer from the parties that 1,087 pubs more than required by the tied estate order should be released by November 1992 was made into a recommendation.

The MMC was also concerned about the concentration of Courage tied pubs within licensing districts. This could push up local retail prices and reduce consumer choice, it said. It recommended that by November 1992 not more than 25 per cent of on-licensed premises should be tied to Courage in any petty sessional district. The parties had offered to reduce the concentration to 20 per cent.

The MMC also looked at whether Elders having half the voting rights in ILE would allow Courage to put pressure on the pubs tenants and managers. Elders offered to put its voting rights into a trust and the MMC recommended that this should be done.

Elders ILE and GrandMet/Whitbread. A report on the merger situation. Cmd 1247, HMSO £5.70

ESTIMATED MARKET SHARES (%)			
	1989	1992 post-transaction pre-orders	1992 post-transaction post-orders
Courage	20.4	17.9	18.2
Bass	22.4	22.4	19.8
Others	42.8	40.3	35.9

Based on final sales  
After implementation of the proposed transaction and of the order  
Combined GrandMet and Courage market share  
Source: Courage estimates

## Beer market has shown little change

LITTLE HAS changed in the beer market, the MMC report says repeatedly, since the Commission's report on the brewing industry - The Supply of Beer - was published in March last year.

That report found a "complex monopoly" existed in the beer industry and the conclusion in the new report is that the GrandMet/Elders deal would reduce competition further.

In the previous report the MMC put forward recommendations to counter the monopoly. But the proposals were watered-down by the government in what was seen at the time as politicians bowing to brewers' interests.

In yesterday's report the MMC notes that the government announced "a series of less far-reaching measures to remedy the public interest deficiencies identified by the MMC" in July last year. That suggests a hint of dissatisfaction at the way its earlier proposals were undermined.

The government's measures resulted in the issuing of two "beer orders". The first demanded that all brewers with more than 2,000 tied pubs should allow tenants to stock a "guest beer" from another supplier. The second said that brewers with tied estates of over 2,000 pubs should sell half the excess by November 1992.

The second of these orders has had little effect so far because of the time still to elapse before the deadline, the MMC says. But some of the third parties giving evidence to the MMC said that the GrandMet/Elders deal was a way of circumventing that order.

The MMC found evidence that the first order has had little effect so far, partly because of pressure from the brewery which owns the pubs. The MMC says that it was told "tenants have been somewhat reluctant to offer guest beers, at any rate other than those included on the guest beer list of the owning brewery".

Reasons for this included tenants' concern about threats of rent reviews or of damaging their relationship with the brewer; brewers demanding that any guest beer should be put through pumps supplied by them and the convenience of having only one supplier.

The Campaign for Real Ale, a pressure group, in giving evidence to the MMC urged us to look with great caution at the extent of the freeing of the market resulting from the beer orders.

The OFT said it had received complaints about the guest beer order but "there was no evidence of widespread measures taken to frustrate the order".

UK BREWERS' PLANTS AND CAPACITY 1989				
	Number of plants	Estimated total production (m bbls)	Production (m bbls)	Capacity utilisation (%)
GrandMet	4	2.8	2.9	91
Courage	4	4.9	4.7	96
Bass	13	11.8	8.6	73
Allied	6	6.7	6.0	78
Whitbread	8	5.2	5.2	94
S&N	8	5.2	4.9	77
Others	260	18.4	7.9	43
	340	60.1	37.3	76

Estimated minimum figure  
Source: GrandMet/Courage

## Chelsea Artisans founder stands down as chairman

By Jane Fuller

MR ROGER LEACH, founder of Chelsea Artisans, the Third Market-quoted maker of specialist glass panelling, has resigned as chairman and director of the loss-making company, which is now centring its attention on the commercial exploitation of the products he helped to develop.

Mr Leach still owns nearly 30 per cent of the equity and has participated in a £61,000 directors' loan to the company.

His successor Mr Tim Jenkins said: "His forte is developing new products" and the company now had to "concentrate on manufacturing and selling the products that have been developed".

The biggest drain on resources had been the Chromatic process for putting a col-

oured film on glass panels for buildings.

The company, which lost £61,000 on turnover of £2.6m last year, had sunk a total of £1.5m into developing the product. "We almost ran out of money at the end of the process," said Mr Jenkins.

In September, the company's accounts were qualified by the auditors because of a question about adequate banking arrangements. Mr Jenkins said the Fennoscandia Bank had now added £200,000 to its existing loan facility, making a total of £1.1m. The company had agreed to grant the bank an option over 15 per cent of the fully diluted share capital.

Both ICI and Pilkington have provided technical help with the development of Chromatic.

## Pison agrees US deal on mobile computers

By Michael Stimpker

Pison, the UK computer manufacturer, has reached an agreement with Memorex Computer Supplies of the US to distribute the British company's mobile computers to the American market.

The two companies say they will sign formal contracts shortly. First shipments are expected in November.

Pison, which is best known for its hand-held Organiser, introduced its mobile computers at the end of last year. The computers, which weigh four pounds, are the size of a sheet of paper and are two inches thick. They will be introduced in the US under the Memorex brand name.

Pison recently announced pre-tax profits for the first half of 1990 of £214,000 (£1.63m).

## Higher margins help Farnell to £15.88m

By Andrew Jack

HIGHER PROFIT margins and interest income helped Farnell Electronics, the manufacturer and distributor of electronic equipment, lift pre-tax profits 23 per cent to £15.88m in the six months to July 31, compared with £12.92m.

The Leeds-based group reported turnover up 3.5 per cent to £97.9m (£94.9m). But it rose by 7.5 per cent excluding AC Farnell, a wholesale distributor of brown goods, which was sold in March. Proceeds of about £600,000 from the sale will appear in the second-half results.

Mr Henry Elstone, group financial director, said the group had been steady expansion throughout the year. If there had not been a downturn in the economy, "we would have expected much higher growth," he said.

All manufacturing businesses were profitable and margins were improving as a result of greater integration of the companies within the division. Overseas sales growth was higher than that in the UK.

Net cash advanced to £16m (£8m), and boosted other income to £1.6m (£496,000) for the six months.

Turnover increased in all parts of the distribution division, with the Australian subsidiary in profit for the half year and the German business still in loss but "progressing well".

Mr Elstone stressed his commitment to developing the German business and said sales had improved substantially following the publication of the second catalogue there in March.

The first phase of the new £20m building in Leeds began construction in January and should be completed by April. Phase II will begin immediately thereafter.

Minority payments fell to £139,000 (£209,000) as a result of lower sales from Farnell-Tandberg Data, which is 63 per cent owned by Farnell.

Farnell's latest catalogue has 28,000 product lines, including 2,500 new ones this year. It has a worldwide print run in excess of 100,000 said Mr Elstone, and a further 30,000 circulating in Germany.

Earnings per share rose to 7.4p (6.1p) and the interim dividend is increased to 2.5p (2.1p). The shares closed up 6p at 167p yesterday.

**COMMENT** Farnell's high margin compo-

nent distribution continues to provide a solid core business. With a reputation for very rapid turnaround and low average value for orders, and a broad customer base, it should hold up well during the second half. But it takes time to build up a market like this, and the German subsidiary could take at least another two years before becoming profitable.

For the full year, the UK downturn may hit the manufacturing division, which is reliant on relatively few computer and telecom customers. After some disappointing acquisitions in the past, the company is sitting tight on its large cash pile, and can afford to let interest mount until the right opportunity arises. The shares are defensive, though not cheap, on a multiple of about 9.8, assuming full year profits of some £28m.

## MSR in profit after drilling units sale

Midland & Scottish Resources, the USM-quoted oil production and services group and a 44 per cent partner in the North Sea Emerald Field, made a first-time pre-tax profit of £9.6m for the first half of 1990, compared with a £2.1m loss last time.

The profit, however, reflected a £9.5m exceptional credit from the sale earlier this year of two drilling units. No tax was payable and mid-term earnings per share were 7p (3p loss).

Mr Martyn Deane, the chairman, said that with the prospects of first oil from the Emerald Field, a former oil price in the medium term and the delivery in 1992 of the equipment under construction in Italy, he was optimistic that the work of the last 18 months would begin to show positive results next year.



**NOTICE**  
to the holders of those of the  
**£42,000,000 AMORTISING SUBORDINATED FLOATING RATE SERIAL NOTES**  
DUE 1997  
presently outstanding  
(the "Notes")

formerly of  
**ABBEY NATIONAL plc ("Abbey National")**

but now of  
**ABBEY NATIONAL TREASURY SERVICES plc ("ANTS")**

constituted by a Trust Deed (the "Trust Deed") dated 3rd April, 1989 and made between Abbey National Building Society and The Law Debenture Trust Corporation plc (the "Trustee") as Trustee for the holders of the Notes, as modified by a First Supplemental Trust Deed (the "First Supplemental Trust Deed") dated 10th July, 1989 and made between the same parties and Abbey National.

**NOTICE IS HEREBY GIVEN TO THE HOLDERS OF THE NOTES THAT:-**

(a) Abbey National requested the Trustee to exercise its powers under the Terms and Conditions of the Notes and the Trust Deed to agree to the substitution in the place of Abbey National of ANTS as the principal debtor in respect of the Notes and the interest coupons appertaining thereto and under the Trust Deed on the basis that Abbey National would guarantee the obligations of ANTS thereby incurred (ANTS's liability under such obligations and Abbey National's liability under such guarantee being subordinated in an equivalent manner and to an equivalent extent as Abbey National's existing obligations as principal debtor under the Notes);

(b) the Trustee, being of the opinion that such substitution and subordinated guarantee referred to in (a) above are not materially prejudicial to the interests of the holders of the Notes, has concurred in the implementation of such substitution and has accepted such subordinated guarantee, in each case with effect on and from 3rd October, 1990; and

(c) such substitution has been implemented by, and such subordinated guarantee has been given in, the Second Supplemental Trust Deed dated 24th September, 1990 made between Abbey National, ANTS and the Trustee.

The Notes remain listed on the Luxembourg Stock Exchange but, with effect on and from 3rd October, 1990, as securities of ANTS, under the denomination of Abbey National Building Society (now Abbey National plc) followed by the denomination of ANTS. The definitive Notes and relative interest coupons now in issue will remain valid, but as obligations of ANTS, and accordingly will not be called in for replacement.

Copies of the Trust Deed, the First Supplemental Trust Deed and the Second Supplemental Trust Deed referred to in (a) above and the Terms and Conditions of the Notes as modified to reflect the substitution of ANTS in place of Abbey National as principal debtor and the subordinated guarantee of Abbey National are available for inspection and, in the case only of such modified Terms and Conditions, collection at the specified office of each of the Paying Agents.

Dated 17th October, 1990

Issued by:  
**ABBEY NATIONAL plc and**  
**ABBEY NATIONAL TREASURY SERVICES plc.**

## Borland trebled at \$16.13m

MAJOR INCREASES in the sales of its main product lines helped Borland International, US-based software house quoted on the USM, almost treble pre-tax profits in the six months to the end of September.

The shares closed 80p higher at 105p.

Mr Philippe Kahn, chairman, said that the results showed the company's record performance throughout the year. "We believe that the continued success of our software can be attributed to our broad use and early adoption of object-oriented technology."

He added that the increase in sales of its language products was due in part to favourable acceptance of Turbo C++ which was introduced in May. Revenues in the year were almost doubled at \$83.62m (£48m), against \$48.23m. Taxable profits were \$16.13m (£8.32m) (£5.47m).

The figures were helped by faster sales growth from \$25.2m to \$32.5m in the first quarter for pre-tax profits of \$9.31m (£5.32m).

Tax in the six months took \$5.51m (£1.96m) for income per common share of 73 cents (35 cents) calculated according to US accounting principles. The company said that under UK principles the figures would not be significantly different except that earnings would come out at 78.4 cents (74.2 cents).

Net interest income came to \$1.25m (\$65,000 charge) and there was a gain on foreign currency transactions of \$59,000, compared with a loss of \$132,000 last time.

**Blue Ribbon helps Elswick advance**  
With most of the businesses

continuing profitable growth and an increasing first-time contribution from Elswick Label, pre-tax profit of Elswick surged to £15.1m in the six months ended July 31 1990.

That compared with \$647,000 in the comparable period in 1989, and was generated on turnover 26 per cent higher at \$29.87m (£22.7m).

The group produces and supplies specialised print and packaging, professional grass machinery, equipment and services for agriculture, and also bicycles.

Continued availability of tax losses pushed diluted earnings to 0.61p (0.41p). The interim dividend is 0.23p (0.2p).

**Tudor well behind but holds interim**  
With sales only maintained at \$6.18m, Tudor has seen its pre-tax profit slide from \$264,000 to \$104,000 in the first half of 1990.

However, the trading profit was slightly up on the second half of last year, and the directors have decided to hold the interim dividend at 1p. Earnings per share were 1.36p (0.49p).

Mr Philip Battin, chairman, said at United Tile, sales decreased to \$4.9m with the multiple DIY being entirely to blame. But the company contributed to profit.

**Edinburgh Invest net assets lower**  
Edinburgh Investment Trust reported net asset value per share of 212.7p at September 30 1990, compared with 260.5p six months earlier.

After-tax revenue for the half year period dropped to \$12.75m, against \$12.9m last time. Earnings per share were lower at 4.34p (4.49p), but the interim dividend has been raised to 2.75p (2.5p).

Directors said that although the oil price had cut growth prospects in most parts of the world, the longer term attrac-

tions of Europe and the smaller Far Eastern markets remained.

**Baris confident of further growth**  
Baris Holdings, the USM-quoted fire protection specialist, increased turnover 80 per cent and pre-tax profit 50 per cent in the half year ended August 31 1990.

Mr Robert Smith, chairman, said he was confident of substantial future growth in profits and earnings. Order book currently stood at £17m, against £10m a year ago.

In the period sales reached \$2.74m (£4.85m) and profit \$208,000 (£605,000). Earnings worked through at 8.3p (6p) and interim dividends are indicated with a declaration of 2p.

The group maintained nil gearing with sustained cash resources.

**Fall in cocoa prices hits Anglo-Eastern**  
Lower cocoa and oil palm prices took their toll on the results of Anglo-Eastern Plantations in the first half of 1990, and the interim dividend is passed, against 1p last time.

Turnover of the group, which operates in Indonesia, fell from £1.34m to £1.06m and pre-tax profit dropped from \$443,000 to \$164,000. Earnings were 0.5p, against 1.1p.

Because of a number of fires in Tasik, there would be no production from the affected area for the rest of the year and 1991.

Following negotiations, the group was to investigate all the possibilities connected with plantation operations in Indonesia in co-operation with Chillingworth Corporation, which holds a controlling interest.

**Expansion continues at Atlas Converting**  
Expansion continues space at Atlas Converting Equipment.

the USM-quoted maker of slitting and rewinding machines, vacuum metallisers and furnaces.

In the first half of 1990 turnover rose 31 per cent to £17.15m (£13.08m) while pre-tax profit grew 42 per cent to £3.1m (£2.19m).

There was sufficient orders on hand to meet budgeted output for the year, and the book for 1991 indicated further growth that year, the directors said.

In the period the company delivered a fully automatic machine for slitting photographic paper and a machine for carbonless paper for business forms. Both represented significant advances in technology, they said.

Earnings in the half year rose to 2.4p (7.3p) and the interim dividend is stepped up to 6.5p (5p).

**Italian expansion for Balfour Beatty**  
Balfour Beatty, the UK engineering and construction group controlled by BICC,



## COMMODITIES AND AGRICULTURE

## Suspensions of Middle East selling as gold plunges \$18

By Kenneth Gooding, Mining Correspondent

ANOTHER HECTIC and chaotic day in the gold market ended last night with the London price plunging by \$18.25 a troy ounce to close at \$361.50 - lower than its level before the Gulf crisis blew up.

The afternoon price "fixing" session in London lasted an hour and 45 minutes, the second-longest in memory. During this time gold touched \$360 an ounce before recovering a little to be fixed at \$364.75, the lowest since July 25.

There were very strong rumours that the same Middle East syndicate, operating through the National Commercial Bank of Jeddah, had hit the market for the fourth time this year, selling gold and buying silver.

Traders suggested the Saudi syndicate attempted to sell in

London at lunch time but met with a poor reception. It waited for New York to open and then had more success at driving down the price, at which point other Middle East and Far East investors and US funds added to the selling pressure.

Gold was already under pressure overnight and early yesterday because Australian producers had been selling forward to take advantage of the current weakening value of the Australian dollar.

Since the close on Friday, gold has dropped by \$28 an ounce and some analysts suggested last night that the fall had been too steep. Mr Michael Spragg, analyst at S.G. Warburg, said that if gold recovered, prices would not go back up very far. "There will be more selling by producers," he said.

Mr Andy Smith, analyst at UBS Phillips & Drew, pointed out that the market was "extremely nervous" and said this might lead to sharp price movements in either direction. "But the price looks a bit low," he added.

Meanwhile, the fall in platinum's price continued yesterday and it closed in London down another \$9.75 an ounce at \$354. Platinum has fallen steadily in recent weeks as fears about a global recession gained ground.

Traders said there was little genuine interest in other precious metals yesterday. Silver was fixed at its lowest for 14 years at \$4.304 cents an ounce before edging up to close at \$4.321.

## Brazil importing rice and soybeans

By Victoria Griffith in Sao Paulo

A SHORTAGE of rice and soybeans, the main staples of the Brazilian diet, has forced food groups to turn to the US, Argentina and Chile for imports.

At least two large groups in Sao Paulo - Camil and Fio Joao - have decided to import rice from the US to make up for insufficient supply in the local market. Between them they will import about 40,000 tonnes this week.

According to Mr Jayro Quattaro, sales director of Camil, the supply and price of rice in the local market will depend almost entirely on soybeans over the next few months, and therefore on the dollar/cruzeiro exchange rate.

A shortage of soybeans, prices of which surged by 40 per cent at the beginning of this month, is beginning to show up at the consumer level.

A study by the newspaper Folha de Sao Paulo revealed that there was no rice on the shelves of six out of eight supermarkets inspected in Sao Paulo. Many supermarkets opted to import soybeans purchases until the price rises were absorbed in the general inflation rate.

Mr Aldemar Tavares, soybean analyst at the Company of Finance and Production, a government agency attached to the Ministry of the Economy, denied that there was a serious shortage of the product in Brazil but admitted that imports, mainly from the US, Argentina and Chile, were well up on last year.

He attributed this to a shortage of credit in the international market. Profits from sales are only funds available to finance planting of the next crop. Mr Tavares predicted that supply levels would return to normal in November.

## Jamaica lifts bauxite output

JAMAICA'S BAUXITE output in the first nine months of this year reached 6.31m tonnes, 36 per cent more than the corresponding period of last year, the Jamaica Bauxite Institute reported, writes Camille James in Kingston.

Alumina (aluminium oxide) production rose by 46.8 per cent to 2.14m tonnes in the period.

The Institute is projecting that bauxite output this year will be at least 15 per cent more than last year, while alumina production is expected to grow by 30 per cent. Bauxite production last year was 6.2m tonnes, with alumina production at 2.14m tonnes.

## Steep rise in copper demand forecast

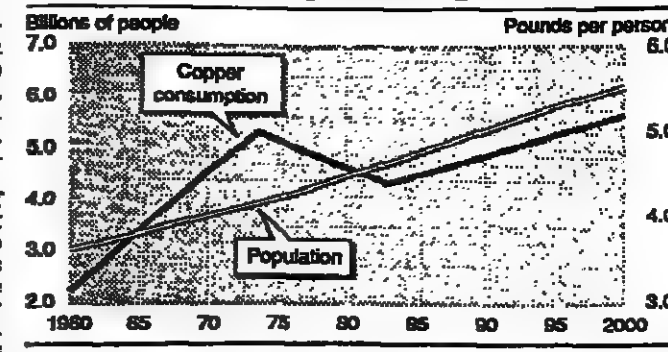
By Kenneth Gooding

COPPER CONSUMPTION may grow by as much as 2.8 per cent a year, taking the total consumed in the world - including the former communist bloc countries and China - from 11m tonnes last year to 14.4m tonnes by the year 2000, according to Mr Richard Osborne, president of Asarco, one of the world's biggest producers of the metal.

Asarco sees the intensity of world copper use increasing from 4.7 lb per head in 1989 to 5.2 lb by 2000 while the world's population (including the Soviet Union, other former communist bloc countries and China) is growing by more than 50m.

It expects extra demand to come from the re-industrialisation of former communist countries, excluding the Soviet Union, which will require an extra 350,000 tonnes a year. Moreover, rapid industrial expansion in south-east Asia, which has seen annual growth of 20 per cent in copper consumption, was not likely to abate, Mr Osborne told a conference in Sweden. From less than 25,000 tonnes of copper consumed in 1973, the market for the metal in Thailand,

## World copper consumption per capita vs. population growth



Taiwan and Malaysia had grown to nearly 450,000 tonnes last year so that those countries now consumed more than 5 per cent of western world consumption.

Mr Osborne pointed out that newly-industrialised countries had contributed to renewed growth in copper's western markets. Copper demand had reversed from a 0.1 per cent annual decline between 1973 and 1983 to a 4.5 per cent rise since then and that trend was unlikely to stop. "We are seeing many old and historic

applications of copper regaining popularity. I refer particularly to architectural, automotive, electronics and building wire applications for copper."

The use of fibre optics in communications, once considered a threat to copper, was now likely to be a "net plus". More copper was being consumed in devices at either end of the fibre optic communication links than was displaced by the cable itself, suggested Mr Osborne.

He admitted that Asarco's forecasts about copper's con-

sumption growth were more optimistic than most others. Those have mainly suggested growth between 1 per cent a year and 2.5 per cent. For example, a recent report for the Japanese Ministry of International Trade and Industry (MITI) suggested that demand for the metal would increase by an annual 1.4 per cent, taking the total required in 2000 to 12.7m tonnes.

Mr Osborne further added: "The future is never assured and a number of events could conspire to derail my admittedly optimistic view. War, energy crises, or major shifts in the world's political structures could slow the growth potential we see in the world economy. Technological change or complacency about market development could alter the role we see for copper in the coming decade of industrial development."

**LINE WAREHOUSE STOCKS** (As at Monday's close)

Commodity	Change	Price
Copper	+1.675	to \$361.50
Gold	+2.550	to \$364.75
Lead	+1.00	to \$44.00
Aluminum	-3.00	to \$2.90
Zinc	-4.25	to \$51.25
Tin	-6.0	to \$11.65

## Nauru seeks phosphate earnings boost

By Dai Heyward in Wellington

IN THE last 70 years the tiny South Pacific island state of Nauru has seen its island substantially depleted in size as nearly 100m tonnes of its rock phosphate has been shipped to New Zealand and Australia for use as fertiliser.

Now with only 30 years' estimated supply of phosphate fertiliser remaining the Nauru government is considering setting up its own super-phosphate works. Engineering experts are advising the government on the feasibility of the project.

Nauru claims it is not getting a fair price for its rock phosphate exports. Imports necessary to run the operation would be carried from Australia in giant rubber bladders in the holds of returning ore ships that had discharged rock phosphate cargo.

Nauru is suing the British, New Zealand and Australian governments for \$121.35m (\$42m) as compensation for mining between 1920 and 1969. The claims is now before the International Court of Justice in The Netherlands.

## Rubber price in doldrums in spite of Gulf crisis

By Lim Siong Hoon in Kuala Lumpur

NATURAL RUBBER prices are in the doldrums in spite of the Gulf crisis and the steep rise in the cost of oil, the main ingredient of the alternative synthetic rubber.

For the rubber market to remain soft is something of a puzzle to analysts. One explanation is that traders are not confident that oil prices will stay high for long. Their response so far has been to "wait and see", as is evident in the listless trading in Kuala Lumpur and Singapore.

In August, natural rubber prices rose when the US bought substantial tonnages for its defence stockpile. But since the US halted its purchases in September, prices monitored by the International Natural Rubber Organisation have fallen back to the pre-crisis level.

Mr Siong Hoon's daily indicator prices, which averages the principal markets in Kuala Lumpur, Singapore, London and New York, stood last week at about 179 Malaysia/Singapore cents a kilogram, 8 cents above its "may buy" level of 171.

The Malaysian Rubber Exchange and Licensing Board

revised its output forecast for 1990 from 1.42m tonnes to 1.33m tonnes before the Gulf crisis.

The August price increase raised hopes that higher production would be encouraged, but these have now been shattered and the board is sticking by its forecast that Malaysian output will be below last year's 1.4m tonnes.

Long term supplies seem plentiful and assured, since they come from South-East Asia and not the Gulf region. Thailand and Indonesia, where labour supply is plentiful compared to Malaysia, have over the past two or three years taken steps to raise their yields and expand their rubber acreage.

This year they are likely to produce 1.22m tonnes and 1.26m tonnes respectively, up from 1.12m and 1.26m tonnes last year. In 1991, their output is expected to rise further still. Thailand's to 1.25m tonnes and Indonesia's to 1.3m tonnes.

Malaysian output from January to July amounted to 708,126 tonnes, down 12 per cent from 807,282 tonnes during the corresponding 1989 period.

beans from other countries to achieve favourable blends." The association also warned that both liquor and butter were "highly perishable... Under our ambient temperatures and humidity."

As for cocoa-cake, analysts say there is a limited demand for it on the international market.

Processing factories are likely to struggle in what a world bank official described as "an already competitive, high-risk and low-return industry." This may lead to the factories exerting downward pressure on farm-gate prices and delaying payment for the crop until after the beans have been processed and the products sold. The trust between the farmer and the buyer is almost certain to be strained, increasing the incentive for the farmer either to cut back on acreage or to engage in smuggling.

Some analysts still believe that the government will at least moderate the ban under pressure from farmers and commercially-powerful traders: six of the top ten non-oil exporters, including the top three, rely on cocoa beans for their business. But against them is the argument that if Nigeria is to achieve sustained economic growth then it must secure the means to process its own raw materials. The government apparently supports this argument and is willing to use the cocoa industry to put it to the test.

## The ups and downs of Nigerian cocoa

William Keeling on moves to boost returns from a troubled sector

THE UNPREDICTABLE cycle of the international market is the bane of cocoa farmers worldwide; but for Nigerian growers it is a minor irritation in comparison to the vagaries of the domestic market. In the past four years the farmers have been sent on a roller-coaster ride of artificial highs and crashing lows.

Over the past two decades the combined effect of a controlled exchange rate, the high cost of labour and inputs, poor extension services and low farm-gate prices imposed by a notoriously corrupt cocoa purchasing board have pushed the industry into decline. Annual production fell from more than 200,000 tonnes in the 1970s to just 106,000 tonnes in 1988.

In June that year the government tackled the problem by abolishing the cocoa purchasing board. The price paid to farmers trebled, but not altogether for the best reasons. Cocoa had been identified by speculators as a means of converting local currency into foreign exchange at a time when the former was rapidly being depleted.

By the close of the 1989-90 season farmers were being paid more than four times the world market price.

However, when the government decided to squeeze liquidity to bring down inflation, commercial lending rates rocketed above 30 per cent. The speculators ran out of money

and the bubble burst. Farm-gate prices crashed from 24,000 naira (about £1,200) a tonne to under 7,000 naira (£350) a tonne today, leaving many farmers financially over-extended. But when the government announced measures to stabilise the market they were in for a greater shock. In a controversial move a ban was announced in January on the export of cocoa from the start of 1991.

The fears of the farmers are all too clear. This season's crop is expected to be in the region of 160,000 tonnes but Nigeria has an annual processing capacity of just 90,000 tonnes. And the three factories which make up that capacity are in dire need of rehabilitation. Officials say that last year the factories operated at under 15 per cent of capacity and that they have never achieved a rate of more than 45 per cent.

The prospect of the ban is already having an effect on the new season. Cocoa-buyers are only purchasing what they know they can export quickly, so as to avoid being left with large stocks at the end of the year. If the ban goes ahead the farmers may well find the major part of their crop unsaleable. And with such an excess in supply, the domestic processors will pay rock-bottom prices for the beans they need.

Also likely is a reduction in the use of pesticides and fertiliser, which will lead to a fall in quality and an increase in black pod and swollen shoot disease.

On the brighter side, there are signs of new investment coming into cocoa-processing. In the north-west, the second largest export company in Nigeria, is planning a \$10m investment in a factory with a capacity of 10,000 tonnes a year. The factory should be up and running by October next year. Analysts say that Nigeria may have as many as five new processing factories by the end of 1993 with a total capacity of 50,000 tonnes a year.

Finance is also being sought for the rehabilitation of the three existing factories. But analysts estimate that even taking into account new investment the factories will struggle to operate at more than 55 per cent of capacity. As one trader commented: "On an optimistic forecast farmers will be left with around 50,000 tonnes unsold each year for the next five years. And that processing Nigeria can market its own products."

Observers believe that there will be low international demand for the cocoa liquor, butter and cake the factories will produce. The Cocoa Association of Nigeria advised its members in a recent newsletter that if the country was to find a market for the liquor "she would have to import

beans from other countries to achieve favourable blends." The association also warned that both liquor and butter were "highly perishable... Under our ambient temperatures and humidity."

As for cocoa-cake, analysts say there is a limited demand for it on the international market.

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## MINOR METALS PRICES

Prices from Metal Bulletin (last week's in brackets).

**ANTIMONY:** European free market, 98.6 per cent, \$ per lb, in warehouse, 1,000-1,050 (1,050-1,100).

**BISMUTH:** European free market, 98.99 per cent, \$ per lb, in warehouse, 2,800-3,000 (2,800-3,000).

**CADMIUM:** European free market, 99.5 per cent, \$ per lb, in warehouse, 2,300-2,500 (2,300-2,500).

**COBALT:** European free market, 99.5 per cent, \$ per lb, in warehouse, 12,000-13,500 (13,000-14,000).

**MERCURY:** European free market, 99.99 per cent, \$ per 70 lb flask, in warehouse, 175,000 (180,000).

**MOLYBDENUM:** European free market, drummed molybdenum oxide, \$ per lb Mo, in warehouse, 2,72-2,76 (2,72-2,80).

**SELENIUM:** European free market, 99.5 per cent, \$ per lb, 1,800-2,400 (1,800-2,400).

**TUNGSTEN:** European free market, standard min. 65 per cent, \$ per tonne unit (10 kg), 30-40 (30-40).

**VANADIUM:** European free market, 99 per cent, \$ a lb VO, 2.50-2.60 (2.50-2.60).

**URANIUM:** Nucor exchange value, \$ per lb, UO, 11.45 (same).

## WORLD COMMODITIES PRICES

## MARKET REPORT

THE arrest of demonstrators in the Ivory Coast and a slightly larger than expected 9.47 per cent rise in the third quarter UK grant failed to support cocoa prices in London yesterday. The March contract shed 2 1/4 to close below the support level of \$700 a tonne. Dealers said the next downside objective was a test of the contract low of \$500 for March. The physical market was quiet. There was some talk that Ivory Coast may have sold a small quantity of cocoa for first quarter 1991 shipment on Monday, but details were scarce and some traders were doubtful about whether business took place. In New York

prices were falling at midday as commission house computer managed funds stepped up liquidation. On the LME copper prices eased, undermined by steadily rising stocks and a lack of fresh supportive factors. LME warehouse stocks rose 2,050 tonnes to 155,425 tonnes and are nearing levels reached five years ago when they surged to 215,360 tonnes from 105,075 tonnes over three months. Confronted fresh selling has been delivered by concern over possible options related tightness, potential supply disruption from African producers and a strike at Peru's Centromin.

Compiled from Reuters

**SOYABEANS - London F&O** (per tonne)

Month	Close	Previous	High/Low
Dec	211.80	208.00	207.20
Jan	207.20	204.00	202.50
Feb	204.00	200.00	198.50
Mar	200.00	196.00	194.50
Apr	196.00	192.00	190.50
May	192.00	188.00	186.50
Jun	188.00	184.00	182.50
Jul	184.00	180.00	178.50
Aug	180.00	176.00	174.50
Sep	176.00	172.00	170.50
Oct	172.00	168.00	166.50
Nov	168.00	164.00	162.50
Dec	164.00	160.00	158.50

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Jul	184.00	180.00	178.50
Aug	180.00	176.00	174.50
Sep	176.00	172.00	170.50
Oct	172.00	168.00	166.50
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Aug	180.00	176.00	174.50
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Apr	196.00	192.00	190.50
May	192.00	188.00	186.50
Jun	188.00	184.00	182.50
Jul	184.00	180.00	178.50
Aug	180.00	176.00	174.50
Sep	176.00	172.00	170.50
Oct	172.00	168.00	166.50
Nov	168.00	164.00	162.50
Dec	164.00	160.00	158.50

**SOYABEANS - London F&O** (per tonne)

Month	Close	Previous	High/Low
Dec	211.80	208.00	207.20
Jan	207.20	204.00	202.50
Feb	204.00	200.00	198.50
Mar	200.00	196.00	194.50
Apr	196.00	192.00	190.50
May	192.00	188.00	186.50
Jun	188.00	184.00	182.50
Jul	184.00	180.00	178.50
Aug	180.00	176.00	174.50
Sep	176.00	172.00	170.50
Oct	172.00	168.00	166.50
Nov	168.00	164.00	162.50
Dec	164.00	160.00	158.50

**SOYABEANS - London F&O** (per tonne)

Month	Close	Previous	High/Low
Dec	211.80	208.00	207.20
Jan	207.20	204.00	202.50
Feb	204.00	200.00	198.50
Mar	200.00	196.00	194.50
Apr	196.00	192.00	190.50
May	192.00	188.00	186.50
Jun	188.00	184.00	182.50
Jul	184.00	180.00	178.50
Aug	180.00	176.00	174.50
Sep	176.00	172.00	170.50
Oct	172.00	168.00	166.50
Nov	168.00	164.00	162.50
Dec	164.00	160.00	158.50

## London Markets

**SPOT MARKETS**

Commodity	Price	Change
Cash oil (per barrel FOB)	\$22.80-23.00	+1.175
Diesel	\$22.80-23.00	+1.175
Brent Blend (per barrel FOB)	\$22.80-23.00	+1.175
Brent Blend (December)	\$22.80-23.00	+1.175
W.T.I. (1 pm est)	\$22.80-23.00	+1.175

**Oil products**

Commodity	Price	Change
Premium Gasoline	\$22.80-23.00	+1.175
Gas Oil	\$22.80-23.00	+1.175
Heavy Fuel Oil	\$22.80-23.00	+1.175
Petroleum Argon Estimate	\$22.80-23.00	+1.175

**Aluminium (per tonne)**

Month	Price	Change
Dec	\$1,800	-7.25
Jan	\$1,800	-7.



# MAKING SHORT WORK OF A LONG HAUL.

WHAT USED TO BE A HOP AND A STEP  
AWAY IS NOW JUST A STEP AWAY.

THANKS TO LUCAS TECHNOLOGY.

LUCAS DEVELOPED THE ELECTRONIC FUEL  
CONTROL SYSTEMS WHICH LAST YEAR HELPED  
ROLLS-ROYCE TO POWER A BOEING 747-400  
FROM LONDON TO SYDNEY FOR THE FIRST  
TIME NON-STOP.

OPENING UP NEW POSSIBILITIES  
THROUGH THE APPLICATION OF ADVANCED  
TECHNOLOGY IS A LUCAS SPECIALIZATION.  
JUST ONE OF THE REASONS WHY LUCAS IS  
CHOSEN TO SUPPLY LEADING MANUFACTURERS,  
LIKE ROLLS-ROYCE AND BOEING.

IN AEROSPACE, IN AUTOMOTIVE AND  
OTHER SELECTED MARKETS WORLDWIDE.

TO CUT A LONG STORY SHORT,  
LUCAS IS ON COURSE TO A REWARDING  
FUTURE FOR CUSTOMERS AND SHARE-  
HOLDERS ALIKE.



THE COLOUR OF INNOVATION





## LONDON STOCK EXCHANGE

## Equities close below FT-SE 2,100

FURTHER signs of the slow-down in economic activity in the UK underpinned early confidence on the London stock market yesterday, and drove the FT-SE index below 2,100 for the first time since the announcement of ERM entry and cuts in domestic interest rates. Equity trading volume was unimpressive, however, and the chief impetus came from the futures sector, where two leading trading houses turned sellers of the FT-SE December futures contract.

In early trading, the market tried to move forward, helped by firms in Tokyo and New York overnight, and also by a further dip in sterling in the

Account Opening Dates		
West London	Oct 28	Nov 5
London	Oct 28	Nov 5
London	Oct 28	Nov 5
London	Oct 28	Nov 5
London	Oct 28	Nov 5
London	Oct 28	Nov 5
London	Oct 28	Nov 5
London	Oct 28	Nov 5
London	Oct 28	Nov 5
London	Oct 28	Nov 5

early part of the session. Equities at first put on more than 18 points on the FT-SE scale. There was little initial reaction to the day's batch of economic data, announced at mid-morning. However, a fall of 0.5 per cent in UK industrial production in August compared with market expectations of a

small rise. Also at the wrong end of predictions was a Public Sector Borrowing Requirement of £1.44bn for last month.

The downturn in the market came shortly afterwards, when a US trading house and then a UK house sold the Footsie futures contract aggressively. The effect on equities was all the greater since the morning session had been featured by a number of basket trades, in which the big investment houses took advantage of a 90-point premium on the future to sell it hard and buy the underlying blue chip stocks, a profitable, if short-term, operation.

As the futures premium halved, the gain on the FT-SE

Index itself was swiftly reversed, sending the index below 2,100, which has been regarded as the bottom of a new post-ERM entry trading range. The Footsie has struggled to hold above 2,100 since the ERM announcement stunned the market on October 5.

A rally was attempted when Wall Street opened but this vanished when the Dow also reversed an early gain. The FT-SE closed 18.5 down at 2,083.6, a couple of points above the day's low.

Sea volume, boosted by futures "basket" trades during the morning, and by a handful of overnight tax-loss trades at

the close, increased to 381.8m shares from the 315.5m of the previous session.

Brewery shares responded cautiously to the decision by the UK Monopolies and Mergers Commission to ban the proposed breweries and public houses deal between Grand Metropolitan and Eiders JXL "unless suitable undertakings are obtained". Also attracting attention on the corporate front were the widely expected cut in interim dividend by Next, the high street fashion retailer, and the decision to continue suspension of Polly Peck shares in London, although they resumed trading in Zurich.

## BAA hit by traffic figures

BAA, operator of airports in the UK, was the worst performer in the FT-SE 100 list after the company posted its September traffic figures. The rise of 2.4 per cent on the previous year was disappointing, according to Mr Dan White of County NatWest WoodMac.

There was also a recurrence of stories that ADT, the Bermuda-based conglomerate, was trying to sell its more than 1 per cent equity interest in the company. ADT raised its stake in Leg Group this month from 21.8 per cent to 27.3 per cent, said that prior sales of BAA stock had provided the cash.

Traders said that one securities house had been trying, so far unsuccessfully, to arrange a bought deal for ADT's holding in BAA. A bought deal is when a broker buys a stake in a company with the intention of selling it on to clients.

Analysts were also keen to mention longer term uncertainties over BAA. S.G. Warburg said the traffic slowdown only added to concern over next year's regulatory review and to the loss of duty-free sales to intra-Europe travellers after 1992. Mr Mark Lawrence at Carr Kitchin & Allen added that the cost of new terminals would be a high probability for more downgrades.

Other analysts, however, took a much more positive view. Mr Robert Pringle, telephone analyst at Hoare Govett, said: "Sentiment in the cellular market will turn over the next six months." As BZW's own research revealed a marked uplift in cellular growth during September. He added: "September offered considerable relief; the BAA stocks are very much a buy and will prove superior to the rest of the market in the coming year."

Most internationalists lost ground as sterling steadied after recent weakness. Reuters retreated 16 to 897.5. Reckitt & Coleman dropped 8.5 to 144.4 and B&A Industries fell 11 to 53.9. AIT had shown gains in early trading.

Glaxo weakened after the chairman said US approval for its migraine drug Imigran

## Racial debate

A profits downgrade of the BAA twins by County NatWest, after what the securities house described as a very disappointing September for Vodafone, Racal's cellular network, prompted heavy activity in Racal Electronics stock. Estimates of new Vodafone subscribers for September were around 11,000, down from the 11,500 in August.

Some 2.5m Racal Electronics shares changed hands, with the stock initially down to 149p before a rally left the share price only a shade easier at 149p. Racal Telecom dipped 6 to 249p.

County's Mr Patrick Wellington lowered his profits forecast for the year to March 1991 by £25m to £235m and that for the year to March 1992 from £260m to £235m. He reduced his estimate of new Vodafone subscribers for the year to March 1991 from 190,000 to 180,000 and for the following year from 170,000 to 160,000.

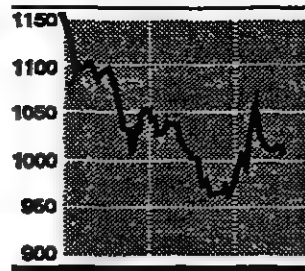
Mr Chris Tucker at Carr Kitchin & Allen also took a cautious line on the Racal stocks, saying: "The slowdown is a growing concern; the decline in net Vodafone additions in August and September - normally the best months of the year - is particularly ominous. There is a high probability for more downgrades."

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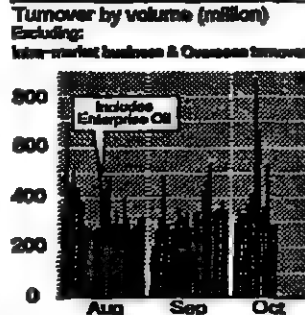
Most internationalists lost ground as sterling steadied after recent weakness. Reuters retreated 16 to 897.5. Reckitt & Coleman dropped 8.5 to 144.4 and B&A Industries fell 11 to 53.9. AIT had shown gains in early trading.

Glaxo weakened after the chairman said US approval for its migraine drug Imigran

## FT-A All-Share Index



## Equity Shares Traded



would take three to four years. Analysts had hoped for approval within two years. Glaxo fell 19 to 744p.

Publicity given to the spread of AIDS among UK heterosexuals underpinned Wellcome. The shares added 10 to 462p.

Worries revived about the final dividend and exerted fresh pressure on Trafalgar House. Marketmakers said business was thin for most of the session, although it improved late, and they expressed concern over the stock's current volatility. "The annual results (due in December) can not come quickly enough," sighed one trader. Trafalgar fell 13 to 189p.

Gestetner also traded nervously, losing 7 to 189p. Analysts thought the Eurocopter effect, which is about photocopy contracts and customer complaints, was washing over the company. Institutional investors are cautious, although currency translation is no problem (Gestetner earns over 90 per cent of its profit overseas) and the fundamentals are good, said one. Eurocopter fell 5 more to 189p, equaling its low point of the year.

Another decline by crude oil prices led to widespread but generally minor selling of the oil issues. The biggest turnover was in Shell, which settled 8 off at 439p on turnover of 5.5m, while BP ended the session 4 cheaper at 389p 4m.

British Gas shed 5 to 218p on thin turnover of only 3.4m. Reports that privately-owned

Dutch group RGV could be considering a full bid for the company, after its takeover tilt at Foseco, boosted Burmah Castrol 5 to 460p, after 464p, on turnover much improved at 2.2m. Castor, on the other hand, lost 5 to 207p as the market took the view that a successful acquisition by Burmah would reduce the chances of an eventual merger between Burmah and Castor, a move long mooted by a number of oil sector specialists.

Abbey National slipped 4 more to 223.4p, still unsettled by stories of an imminent sell note. Midland, still beset by worries about a long delay to the expected merger with Hongkong and Shanghai Banking, lost 3 to 197p. Other high street banks, however, moved higher, with Barclays 3 firmer at 357p on 3.7m and NatWest and Lloyds 2 better at 265p and 265p respectively.

Merchant banks came under more downward pressure, with S.G. Warburg 10 off at 518p. Kleinwort Benson 5 easier at 87p and Hambros, where Bellica's 14 per cent stake is thought to be on offer, 4 lower at 214p.

There was little let-up in the selling of the composite insurers, most of which emanated from a switch out of Unilever plc and into the NV, which is currently trading at a discount of just under 2 per cent.

Ranks Hovis McDougall rose 3 to 307p in low volume trading on scattered speculation that Sunningdale's 29.2 per cent would soon be placed. However, analysts believed that an imminent placing was unlikely. United British added 4 at 329p due to short covering in the traded options market of the October 300 calls.

Engineering issues were largely confined to the sidelines. Wagon Industrial moved up 16 to 349p on news that one of its subsidiaries, Link SL, is to sell its steel coil rolling and processing business, known as

Steel of Staffs, to British Steel. The deal is estimated to be worth \$20m after including the value of stock and savings through lower investment in working capital. British Steel ended half a penny lower at 194.4p.

Further delays in delivery by Davy Corporation of the float-200 production facility for the North Sea Emerald Field pushed the shares down 3 to 95p. The semi-submersible oil platform, delivery of which has already been postponed from the beginning of August, is now expected to be handed over to its purchaser, Midland and Scottish Resources, by the end of the first quarter of 1991.

Tiphook was one of the day's best performers. Sentiment was helped by a US deal early

FINANCIAL TIMES STOCK INDICES									
	Oct 16	Oct 17	Oct 18	Oct 19	Oct 20	Oct 21	Oct 22	Oct 23	Oct 24
Government Stock	78.51	78.73	78.97	79.07	79.08	79.08	79.08	79.08	79.08
Financial Index	78.51	78.73	78.97	79.07	79.08	79.08	79.08	79.08	79.08
Ordinary Share	1613.3	1627.2	1622.0	1618.9	1626.7	1730.7	1688.3	1610.4	1605.4
Gold Mining	163.2	167.9	170.8	172.5	173.9	182.5	174.5	163.2	163.2
FT-SE 100 Share	2063.6	2101.9	2100.4	2102.2	2121.8	2135.5	2063.7	1990.2	2063.7
Ord. Div. Yield	5.85	5.80	5.80	5.80	5.85	4.72	5.85	5.85	5.85
Earning Yld % (p/b)	12.42	12.30	12.35	12.37	12.37	11.36	12.37	12.37	12.37
P/E Ratio (p/b)	9.78	9.95	9.92	9.79	9.85	10.54	9.78	9.78	9.78
ESQ Gains 14.5pm	10,282	10,614	10,181	10,288	10,288	10,288	10,288	10,288	10,288
Equity Turnover (m)	374.37	382.09	358.97	315.24	329.89	329.89	329.89	329.89	329.89
Equity Bargains	18,487	18,748	18,112	21,118	44,408	44,408	44,408	44,408	44,408
Shares Traded (m)	284.8	283.8	328.7	350.2	363.2	363.2	363.2	363.2	363.2

OIL EDGED ACTIVITY									
	Oct 16	Oct 17	Oct 18	Oct 19	Oct 20	Oct 21	Oct 22	Oct 23	Oct 24
Oil Edged Bargains	102.5	102.5	102.5	102.5	102.5	102.5	102.5	102.5	102.5
5-Day average	102.5	102.5	102.5	102.5	102.5	102.5	102.5	102.5	102.5

London report and latest Share Index: Tel. 0898 123001.

## TRADING VOLUME IN MAJOR STOCKS

Stock	Volume	Price	Change	Volume	Price	Change	Volume	Price	Change
ADT	1,500	10.00	+0.10	1,500	10.00	+0.10	1,500	10.00	+0.10
ADT	1,500	10.00	+0.10	1,500	10.00	+0.10	1,500	10.00	+0.10
ADT	1,500	10.00	+0.10	1,500	10.00	+0.10	1,500	10.00	+0.10
ADT	1,500	10.00	+0.10	1,500	10.00	+0.10	1,500	10.00	+0.10
ADT	1,500	10.00	+0.10	1,500	10.00	+0.10	1,500	10.00	+0.10
ADT	1,500	10.00	+0.10	1,500	10.00	+0.10	1,500	10.00	+0.10
ADT	1,500	10.00	+0.10	1,500	10.00	+0.10	1,500	10.00	+0.10
ADT	1,500	10.00	+0.10	1,500	10.00	+0.10	1,500	10.00	+0.10
ADT	1,500	10.00	+0.10	1,500	10.00	+0.10	1,500	10.00	+0.10
ADT	1,500	10.00	+0.10	1,500	10.00	+0.10	1,500	10.00	+0.10

in the week in which it sold part of its container leasing and services assets to General Electric for about \$825m. Analysts said this was worth \$1,000 per container, roughly what Tiphook paid to Sea Containers earlier this year in a similar deal. Tiphook climbed 21 to 361p.

An encouraging interim statement (profits were 50 per cent higher) lifted B&A Industries 9 to 165p. The company said its order book currently stood in excess of £17m, compared with £10m last year, and it was confident of substantial future growth in profits and earnings.

EFG, a USM quote, recovered part of Monday's steep fall which followed the warning that it would incur a loss this

## LONDON SHARE SERVICE

## BRITISH FUNDS

## BRITISH FUNDS - Contd

## AMERICANS - Contd

## CORPORATION LOANS

## COMMONWEALTH &amp; AFRICAN LOANS

## LOANS

## FOREIGN BONDS &amp; RAILS

## AMERICANS

## CANADIANS

## Continued on next page

## Restructure at Sealink Stena Line

Mr. Michael Agnew, a director, has been appointed chairman of SEALINK STENA LINE as part of a restructuring. He was chairman of Consolidated Gold Fields, and succeeds Mr. Dan Sten Olson, who has resigned. Mr. Charles Lemoine-Coyne is promoted to managing director to deputy chairman. He is succeeded as managing director by Mr. Lars-Erik Ottosson, president and chief executive of parent company Stena Line, Gothenburg. Mr. Bolander Johansson, managing director of Linn Ferry, another subsidiary, becomes a non-executive director of Sealink Stena Line.

Mr. Willis Corroon, London, formed by the merger of Willis Faber and Corroon & Black Corporation, New York, has made the following board appointments: Mr. Roger Elliott, executive chairman; Mr. Richard Miller, chief executive; Mr. Robert Gregory, Mr. Robert Keville, Mr. Don King, Mr. John Lamberson, Mr. John Robins (chief financial officer), and Mr. John Wallace become executive directors. Non-executive directors are Mr. Robert Corroon, Mr. Alan Gregory, Mr. Michael Randle, Mr. Joseph

Mr. Allen Sykes and Mr. Arthur Vorys. Appointed to the board of Willis Faber are Mr. Miller, Mr. Lamberson, Mr. Wallace, Mr. George Nixon and Mr. Max Taylor. Mr. Elliott, Mr. Nixon and Mr. John Wallace join the board of Corroon & Black Corp.

Mr. SALOMON BROTHERS INTERNATIONAL has appointed Mr. Thomas Meyer as vice president, bond market research, particularly analysis of the German economy and financial markets. He was senior economist in the European department, International Monetary Fund.

Mr. SOREMA, a French reinsurance group, has appointed four underwriters to its subsidiary Sorema (UK). They worked together as the technical risk management unit at Continental Reinsurance. The team is headed by Mr. Marcus Corbally, deputy managing director of Sorema (UK), with Mr. Brian Newrick (construction), Mr. Keith Davidson (oil, gas and chemicals), and Mr. Donald Holden (construction). The company is awaiting DfT approval.

Mr. James M.C. Ousard has been appointed chairman of HADRIAN-SOLWAY (HOLDINGS). He was chief executive of Robourtn group, and is chairman of Nelson Stokes Group, and Arnold (Brambridge), Mr. John R. Walls becomes a director. He

is a director of Vopser Technology Holdings, and Lazard Small Companies Exempt Fund.



TARMAC CONSTRUCTION has appointed Mr. Laurie Tansley (pictured) as northern area director of Tarmac Management. He was divisional director, Mowlem Management, Manchester.

GUINNESS MAHON HOLDINGS has appointed Mr. Derek Moore as managing director of Guinness Mahon Investment Management. He also becomes investment director of Guinness Mahon Asset Management, holding company for the group's asset management division.

MAI INFORMATION HOLDINGS, a subsidiary of MAI, has appointed Mr. Mike M. Bartosova as managing director of the newly-formed

AMI Information East Europe, providing information and market research on central and eastern Europe.

Mr. Anthony Rogers has been appointed to the board of FENVOCA (UK) and promoted to deputy managing director. He was an executive director and will continue as company secretary. Mr. John Gray has been appointed an executive director in charge of corporate finance. He was a senior manager.

From October 31 Mr. Paul Fraser becomes executive chairman of STANLEY GIBSONS HOLDINGS, succeeding Mr. L.W. Aikens who retires as non-executive chairman. Mr. Fraser is a major shareholder.

Mr. David Clarke has been appointed UK marketing director, COMPAQ COMPUTER. He was marketing manager, Digital Equipment Co.

Mr. Tom Wessie has been appointed director and general manager of DATA GENERAL in the UK and Ireland.

Mr. Paul Downes has joined BOTS & CO as an executive director and shareholder. He is a chartered accountant and, since 1985, has been a senior executive with Bankers Trust's European principal investing division. Bots & Co is a private corporate finance and principal investing company.



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**INDUSTRIALS (Miscel.)—Contd.**

1978		Stock	Price	1977	1976
151	70	70	11	11	11
152	71	71	12	12	12
153	72	72	13	13	13
154	73	73	14	14	14
155	74	74	15	15	15
156	75	75	16	16	16
157	76	76	17	17	17
158	77	77	18	18	18
159	78	78	19	19	19
160	79	79	20	20	20
161	80	80	21	21	21
162	81	81	22	22	22
163	82	82	23	23	23
164	83	83	24	24	24
165	84	84	25	25	25
166	85	85	26	26	26
167	86	86	27	27	27
168	87	87	28	28	28
169	88	88	29	29	29
170	89	89	30	30	30
171	90	90	31	31	31
172	91	91	32	32	32
173	92	92	33	33	33
174	93	93	34	34	34
175	94	94	35	35	35
176	95	95	36	36	36
177	96	96	37	37	37
178	97	97	38	38	38
179	98	98	39	39	39
180	99	99	40	40	40
181	100	100	41	41	41
182	101	101	42	42	42
183	102	102	43	43	43
184	103	103	44	44	44
185	104	104	45	45	45
186	105	105	46	46	46
187	106	106	47	47	47
188	107	107	48	48	48
189	108	108	49	49	49
190	109	109	50	50	50
191	110	110	51	51	51
192	111	111	52	52	52
193	112	112	53	53	53
194	113	113	54	54	54
195	114	114	55	55	55
196	115	115	56	56	56
197	116	116	57	57	57
198	117	117	58	58	58
199	118	118	59	59	59
200	119	119	60	60	60
201	120	120	61	61	61
202	121	121	62	62	62
203	122	122	63	63	63
204	123	123	64	64	64
205	124	124	65	65	65
206	125	125	66	66	66
207	126	126	67	67	67
208	127	127	68	68	68
209	128	128	69	69	69
210	129	129	70	70	70
211	130	130	71	71	71
212	131	131	72	72	72
213	132	132	73	73	73
214	133	133	74	74	74
215	134	134	75	75	75
216	135	135	76	76	76
217	136	136	77	77	77
218	137	137	78	78	78
219	138	138	79	79	79
220	139	139	80	80	80
221	140	140	81	81	81
222	141	141	82	82	82
223	142	142	83	83	83
224	143	143	84	84	84
225	144	144	85	85	85
226	145	145	86	86	86
227	146	146	87	87	87
228	147	147	88	88	88
229	148	148	89	89	89
230	149	149	90	90	90
231	150	150	91	91	91
232	151	151	92	92	92
233	152	152	93	93	93
234	153	153	94	94	94
235	154	154	95	95	95
236	155	155	96	96	96
237	156	156	97	97	97
238	157	157	98	98	98
239	158	158	99	99	99
240	159	159	100	100	100
241	160	160	101	101	101
242	161	161	102	102	102
243	162	162	103	103	103
244	163	163	104	104	104
245	164	164	105	105	105
246	165	165	106	106	106
247	166	166	107	107	107
248	167	167	108	108	108
249	168	168	109	109	109
250	169	169	110	110	110
251	170	170	111	111	111
252	171	171	112	112	112
253	172	172	113	113	113
254	173	173	114	114	114
255	174	174	115	115	115
256	175	175	116	116	116
257	176	176	117	117	117
258	177	177	118	118	118
259	178	178	119	119	119
260	179	179	120	120	120
261	180	180	121	121	121
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264	183	183	124	124	124
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266	185	185	126	126	126
267	186	186	127	127	127
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269	188	188	129	129	129
270	189	189	130	130	130
271	190	190	131	131	131
272	191	191	132	132	132
273	192	192	133	133	133
274	193	193	134	134	134
275	194	194	135	135	135
276	195	195	136	136	136
277	196	196	137	137	137
278	197	197	138	138	138
279	198	198	139	139	139
280	199	199	140	140	140
281	200	200	141	141	141
282	201	201	142	142	142
283	202	202	143	143	143
284	203	203	144	144	144
285	204	204	145	145	145
286	205	205	146	146	146
287	206	206	147	147	147
288	207	207	148	148	148
289	208	208	149	149	149
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## INSURANCES

[illegible]

## LEISURE

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506	251 Royal Ince, Hdg	395	41
78	43 Salfire Ins. Ins.	45	
91	166 Salfire Ins. Ins.	167	

150	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000
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67	43	Owners Abroad 3p	43	1
108	77	Do. 9.75 Cr. Rd. Pt.	78	-3
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1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	9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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling and dollar lose ground

STERLING remained weak on the foreign exchanges, but finished well above the day's lows amid rumours of intervention by the Bank of England. The pound fell towards its DM2.95 mid point against the D-Mark in the European Monetary System exchange rate mechanism, touching DM2.9530, but later recovered to close at DM2.9650 against DM2.9750 on Monday.

The mood of euphoria, following ERM membership, has evaporated to leave attention focused on the weakness of the UK economy. Dealers see DM2.95 as an important support point for the pound and expect Mr John Major, the UK Chancellor of the Exchequer, to announce a new monetary policy when he speaks in the City tomorrow night. On Monday Mr Major told parliament that a rate of DM2.95 is sustainable. Sterling has not been helped by the strength of the Japanese yen. Its fall through technical support at ¥250.60 on Monday set up a possible move towards ¥217 in the coming weeks, according to some analysts.

By last night's close in London the pound had fallen to ¥249.00 from ¥250.25; to SFY2.5025 from SFY2.5150; and to FF9.9325 from FF9.9675. However, it gained 35 points to \$1.5570 and the pound's index

rose 0.1 to 95.0. Sterling ended higher in New York at \$1.5650. Within the ERM sterling moved down towards the main group of currencies. According to figures from the European Commission, the pound was 0.71 per cent above its central rate against the weakest placed Italian lira, compared with 1.00 per cent previously.

The dollar continued to suffer from US economic weakness and slow progress in forming a credible package to cut the US budget deficit. Its decline was encouraged by comments from Mr Martin Feldstein, president of the National Bureau of Economic Research. He said the dollar should fall 10 to 15 per cent in real terms, with bigger drops against the D-Mark and yen. He also called on the Federal Reserve to cut interest rates.

In London the dollar fell to DM1.5155, a record closing low

against the D-Mark, from DM1.5230. It hit the lowest finishing level against the yen since February 1989, falling to ¥127.20 from ¥128.15. The US unit also weakened to SFY1.5750 from SFY1.5875 and to FF9.9750 from FF9.1025. Its index eased 0.1 to 60.5.

The Australian dollar continued to lose ground after this week's cut in interest rates. Dealers noted that the authorities seemed determined to reduce the value of the currency. Mr Paul Keating, Australian treasurer, said on Monday he was not unhappy to see it lower. Yesterday, Mr Bernier, governor of the Reserve Bank of Australia, called for a lower currency to correct current account and external debt problems.

In Sydney the Australian dollar fell to 78.55 US cents, but in London rallied slightly to 78.70 cents.

FINANCIAL FUTURES AND OPTIONS

Table with multiple columns showing futures and options prices for various currencies and commodities. Includes sections for Liffe Long Gilt Futures, Liffe US Treasury Bond Futures, Liffe Eurodollar Futures, and Liffe Short Sterling Futures.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates for various currencies including the Deutsche Mark, French Franc, Italian Lira, etc.

CURRENCY MOVEMENTS

Table showing currency movements for various currencies including the US Dollar, British Pound, Japanese Yen, etc.

OTHER CURRENCIES

Table showing other currencies including the Australian Dollar, Canadian Dollar, Hong Kong Dollar, etc.

POUND SPOT - FORWARD AGAINST THE POUND

Table showing Pound Spot and Forward rates against the Pound for various currencies.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table showing Dollar Spot and Forward rates against the Dollar for various currencies.

EURO CURRENCY INTEREST RATES

Table showing Euro Currency Interest Rates for various currencies.

EXCHANGE CROSS RATES

Table showing Exchange Cross Rates for various currencies.

20-YEAR 10% NATIONAL GILT

Table showing 20-Year 10% National Gilt rates.

5% NATIONAL GERMAN BOND

Table showing 5% National German Bond rates.

5% NATIONAL LONG TERM JAPANESE GOVT.

Table showing 5% National Long Term Japanese Govt. rates.

THREE-MONTH STERLING

Table showing Three-Month Sterling rates.

THREE-MONTH EURO-DOLLAR

Table showing Three-Month Euro-Dollar rates.

THREE-MONTH POUND

Table showing Three-Month Pound rates.

CHICAGO

Table showing Chicago market data.

U.S. TREASURY BOND 5%

Table showing U.S. Treasury Bond 5% rates.

U.S. TREASURY BOND 10%

Table showing U.S. Treasury Bond 10% rates.

U.S. TREASURY BOND 15%

Table showing U.S. Treasury Bond 15% rates.

U.S. TREASURY BOND 20%

Table showing U.S. Treasury Bond 20% rates.

U.S. TREASURY BOND 25%

Table showing U.S. Treasury Bond 25% rates.

MONEY MARKET

Table showing Money Market data including various bank accounts and interest rates.

Money Market Bank Accounts

Table showing Money Market Bank Accounts for various banks.

Money Market Bank Accounts

Table showing Money Market Bank Accounts for various banks.

Money Market Bank Accounts

Table showing Money Market Bank Accounts for various banks.

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Table showing Money Market Bank Accounts for various banks.

Money Market Bank Accounts

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MONEY MARKET FUNDS

Table showing Money Market Funds for various companies.

Money Market Bank Accounts

Table showing Money Market Bank Accounts for various banks.

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MONEY MARKETS

UK rates stay firm

INTEREST RATES continued to rise on the London money market yesterday as sterling weakened. The Bank of England seemed keen to keep the short end of the market tight. A large credit shortage was forecast, but revised this to \$500m at noon and to \$900m in the afternoon.

On Liffe short sterling futures touched the lowest level since the pound became a full member of the European Monetary System, reflecting fading hopes of early cuts in UK bank base rates.

UK clearing bank base lending rate 14 per cent from October 8, 1990.

Economic news had little impact. A fall of 0.5 per cent in UK August industrial production was an improvement on the revised July fall of 3.3 per cent, but the market was looking for a rise of around 0.2 per cent. A September public sector borrowing requirement of \$1.4bn was in line with most expectations.

Three-month sterling interbank rate rose to 13.13 per cent from 13.11 per cent, and 12-month money market rate rose to 13.13 per cent from 13.11 per cent. December short sterling futures opened weaker at 86.70 and fell to a low of 86.61, but rallied to close at 86.70.

FT INTERBANK FIXING

Table showing FT Interbank Fixing rates.

MONEY RATES

Table showing Money Rates for various currencies.

LONDON MONEY RATES

Table showing London Money Rates for various currencies.

FT INTERBANK FIXING

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MONEY RATES

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LONDON MONEY RATES

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Money Market Bank Accounts

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Table showing Money Market Bank Accounts for various banks.



**CANADA**

[illegible]



**4pm prices October 16**

## NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Stock	High	Low	Open	Close	Prev. Close	Change
AA	1.12	1.10	1.11	1.11	1.11	0.00
AB	1.12	1.10	1.11	1.11	1.11	0.00
AC	1.12	1.10	1.11	1.11	1.11	0.00
AD	1.12	1.10	1.11	1.11	1.11	0.00
AE	1.12	1.10	1.11	1.11	1.11	0.00
AF	1.12	1.10	1.11	1.11	1.11	0.00
AG	1.12	1.10	1.11	1.11	1.11	0.00
AH	1.12	1.10	1.11	1.11	1.11	0.00
AI	1.12	1.10	1.11	1.11	1.11	0.00
AJ	1.12	1.10	1.11	1.11	1.11	0.00
AK	1.12	1.10	1.11	1.11	1.11	0.00
AL	1.12	1.10	1.11	1.11	1.11	0.00
AM	1.12	1.10	1.11	1.11	1.11	0.00
AN	1.12	1.10	1.11	1.11	1.11	0.00
AO	1.12	1.10	1.11	1.11	1.11	0.00
AP	1.12	1.10	1.11	1.11	1.11	0.00
AQ	1.12	1.10	1.11	1.11	1.11	0.00
AR	1.12	1.10	1.11	1.11	1.11	0.00
AS	1.12	1.10	1.11	1.11	1.11	0.00
AT	1.12	1.10	1.11	1.11	1.11	0.00
AV	1.12	1.10	1.11	1.11	1.11	0.00
AW	1.12	1.10	1.11	1.11	1.11	0.00
AX	1.12	1.10	1.11	1.11	1.11	0.00
AY	1.12	1.10	1.11	1.11	1.11	0.00
AZ	1.12	1.10	1.11	1.11	1.11	0.00
BA	1.12	1.10	1.11	1.11	1.11	0.00
BB	1.12	1.10	1.11	1.11	1.11	0.00
BC	1.12	1.10	1.11	1.11	1.11	0.00
BD	1.12	1.10	1.11	1.11	1.11	0.00
BE	1.12	1.10	1.11	1.11	1.11	0.00
BF	1.12	1.10	1.11	1.11	1.11	0.00
BG	1.12	1.10	1.11	1.11	1.11	0.00
BH	1.12	1.10	1.11	1.11	1.11	0.00
BI	1.12	1.10	1.11	1.11	1.11	0.00
BJ	1.12	1.10	1.11	1.11	1.11	0.00
BK	1.12	1.10	1.11	1.11	1.11	0.00
BL	1.12	1.10	1.11	1.11	1.11	0.00
BM	1.12	1.10	1.11	1.11	1.11	0.00
BN	1.12	1.10	1.11	1.11	1.11	0.00
BO	1.12	1.10	1.11	1.11	1.11	0.00
BP	1.12	1.10	1.11	1.11	1.11	0.00
BQ	1.12	1.10	1.11	1.11	1.11	0.00
BR	1.12	1.10	1.11	1.11	1.11	0.00
BS	1.12	1.10	1.11	1.11	1.11	0.00
BT	1.12	1.10	1.11	1.11	1.11	0.00
BV	1.12	1.10	1.11	1.11	1.11	0.00
BW	1.12	1.10	1.11	1.11	1.11	0.00
BX	1.12	1.10	1.11	1.11	1.11	0.00
BY	1.12	1.10	1.11	1.11	1.11	0.00
BZ	1.12	1.10	1.11	1.11	1.11	0.00
CA	1.12	1.10	1.11	1.11	1.11	0.00
CB	1.12	1.10	1.11	1.11	1.11	0.00
CC	1.12	1.10	1.11	1.11	1.11	0.00
CD	1.12	1.10	1.11	1.11	1.11	0.00
CE	1.12	1.10	1.11	1.11	1.11	0.00
CF	1.12	1.10	1.11	1.11	1.11	0.00
CG	1.12	1.10	1.11	1.11	1.11	0.00
CH	1.12	1.10	1.11	1.11	1.11	0.00
CI	1.12	1.10	1.11	1.11	1.11	0.00
CJ	1.12	1.10	1.11	1.11	1.11	0.00
CK	1.12	1.10	1.11	1.11	1.11	0.00
CL	1.12	1.10	1.11	1.11	1.11	0.00
CM	1.12	1.10	1.11	1.11	1.11	0.00
CN	1.12	1.10	1.11	1.11	1.11	0.00
CO	1.12	1.10	1.11	1.11	1.11	0.00
CP	1.12	1.10	1.11	1.11	1.11	0.00
CQ	1.12	1.10	1.11	1.11	1.11	0.00
CR	1.12	1.10	1.11	1.11	1.11	0.00
CS	1.12	1.10	1.11	1.11	1.11	0.00
CT	1.12	1.10	1.11	1.11	1.11	0.00
CV	1.12	1.10	1.11	1.11	1.11	0.00
CW	1.12	1.10	1.11	1.11	1.11	0.00
CX	1.12	1.10	1.11	1.11	1.11	0.00
CY	1.12	1.10	1.11	1.11	1.11	0.00
CZ	1.12	1.10	1.11	1.11	1.11	0.00
DA	1.12	1.10	1.11	1.11	1.11	0.00
DB	1.12	1.10	1.11	1.11	1.11	0.00
DC	1.12	1.10	1.11	1.11	1.11	0.00
DD	1.12	1.10	1.11	1.11	1.11	0.00
DE	1.12	1.10	1.11	1.11	1.11	0.00
DF	1.12	1.10	1.11	1.11	1.11	0.00
DG	1.12	1.10	1.11	1.11	1.11	0.00
DH	1.12	1.10	1.11	1.11	1.11	0.00
DI	1.12	1.10	1.11	1.11	1.11	0.00
DJ	1.12	1.10	1.11	1.11	1.11	0.00
DK	1.12	1.10	1.11	1.11	1.11	0.00
DL	1.12	1.10	1.11	1.11	1.11	0.00
DM	1.12	1.10	1.11	1.11	1.11	0.00
DN	1.12	1.10	1.11	1.11	1.11	0.00
DO	1.12	1.10	1.11	1.11	1.11	0.00
DP	1.12	1.10	1.11	1.11	1.11	0.00
DQ	1.12	1.10	1.11	1.11	1.11	0.00
DR	1.12	1.10	1.11	1.11	1.11	0.00
DS	1.12	1.10	1.11	1.11	1.11	0.00
DT	1.12	1.10	1.11	1.11	1.11	0.00
DV	1.12	1.10	1.11	1.11	1.11	0.00
DW	1.12	1.10	1.11	1.11	1.11	0.00
DX	1.12	1.10	1.11	1.11	1.11	0.00
DY	1.12	1.10	1.11	1.11	1.11	0.00
DZ	1.12	1.10	1.11	1.11	1.11	0.00
EA	1.12	1.10	1.11	1.11	1.11	0.00
EB	1.12	1.10	1.11	1.11	1.11	0.00
EC	1.12	1.10	1.11	1.11	1.11	0.00
ED	1.12	1.10	1.11	1.11	1.11	0.00
EE	1.12	1.10	1.11	1.11	1.11	0.00
EF	1.12	1.10	1.11	1.11	1.11	0.00
EG	1.12	1.10	1.11	1.11	1.11	0.00
EH	1.12	1.10	1.11	1.11	1.11	0.00
EI	1.12	1.10	1.11	1.11	1.11	0.00
EJ	1.12	1.10	1.11	1.11	1.11	0.00
EK	1.12	1.10	1.11	1.11	1.11	0.00
EL	1.12	1.10	1.11	1.11	1.11	0.00
EM	1.12	1.10	1.11	1.11	1.11	0.00
EN	1.12	1.10	1.11	1.11	1.11	0.00
EO	1.12	1.10	1.11	1.11	1.11	0.00
EP	1.12	1.10	1.11	1.11	1.11	0.00
EQ	1.12	1.10	1.11	1.11	1.11	0.00
ER	1.12	1.10	1.11	1.11	1.11	0.00
ES	1.12	1.10	1.11	1.11	1.11	0.00
ET	1.12	1.10	1.11	1.11	1.11	0.00
EV	1.12	1.10	1.11	1.11	1.11	0.00
EW	1.12	1.10	1.11	1.11	1.11	0.00
EX	1.12	1.10	1.11	1.11	1.11	0.00
EY	1.12	1.10	1.11	1.11	1.11	0.00
EZ	1.12	1.10	1.11	1.11	1.11	0.00
FA	1.12	1.10	1.11	1.11	1.11	0.00
FB	1.12	1.10	1.11	1.11	1.11	0.00
FC	1.12	1.10	1.11	1.11	1.11	0.00
FD	1.12	1.10	1.11	1.11	1.11	0.00
FE	1.12	1.10	1.11	1.11	1.11	0.00
FF	1.12	1.10	1.11	1.11	1.11	0.00
FG	1.12	1.10	1.11	1.11	1.11	0.00
FH	1.12	1.10	1.11	1.11	1.11	0.00
FI	1.12	1.10	1.11	1.11	1.11	0.00
FJ	1.12	1.10	1.11	1.11	1.11	0.00
FK	1.12	1.10	1.11	1.11	1.11	0.00
FL	1.12	1.10	1.11	1.11	1.11	0.00
FM	1.12	1.10	1.11	1.11	1.11	0.00
FN	1.12	1.10	1.11	1.11	1.11	0.00
FO	1.12	1.10	1.11	1.11	1.11	0.00
FP	1.12	1.10	1.11	1.11	1.11	0.00
FQ	1.12	1.10	1.11	1.11	1.11	0.00
FR	1.12	1.10	1.11	1.11	1.11	0.00
FS	1.12	1.10	1.11	1.11	1.11	0.00
FT	1.12	1.10	1.11	1.11	1.11	0.00
FV	1.12	1.10	1.11	1.11	1.11	0.00
FW	1.12	1.10	1.11	1.11	1.11	0.00
FX	1.12	1.10	1.11	1.11	1.11	0.00
FY	1.12	1.10	1.11	1.11	1.11	0.00
FZ	1.12	1.10	1.11	1.11	1.11	0.00
GA	1.12	1.10	1.11	1.11	1.11	0.00
GB	1.12	1.10	1.11	1.11	1.11	0.00
GC	1.12	1.10	1.11	1.11	1.11	0.00
GD	1.12	1.10	1.11	1.11	1.11	0.00
GE	1.12	1.10	1.11	1.11	1.11	0.00
GF	1.12	1.10	1.11	1.11	1.11	0.00
GG	1.12	1.10	1.11	1.11	1.11	0.00
GH	1.12	1.10	1.11	1.11	1.11	0.00
GI	1.12	1.10	1.11	1.11	1.11	0.00
GJ	1.12	1.10	1.11	1.11	1.11	0.00
GK	1.12	1.10	1.11	1.11	1.11	0.00
GL	1.12	1.10	1.11	1.11	1.11	0.00
GM	1.12	1.10	1.11	1.11	1.11	0.00
GN	1.12	1.10	1.11	1.11	1.11	0.00
GO	1.12	1.10	1.11	1.11	1.11	0.00
GP	1.12	1.10	1.11	1.11	1.11	0.00
GQ	1.12	1.10	1.11	1.11	1.11	0.00
GR	1.12	1.10	1.11	1.11	1.11	0.00
GS	1.12	1.10	1.11	1.11	1.11	0.00
GT	1.12	1.10	1.11	1.11	1.11	0.00
GV	1.12	1.10	1.11	1.11	1.11	0.00
GW	1.12	1.10	1.11	1.11	1.11	0.00
GX	1.12	1.10	1.11	1.11	1.11	0.00
GY	1.12	1.10	1.11	1.11	1.11	0.00
GZ	1.12	1.10	1.11	1.11	1.11	0.00
HA	1.12	1.10	1.11	1.11	1.11	0.00
HB	1.12	1.10	1.11	1.11	1.11	0.00
HC	1.12	1.10	1.11	1.11	1.11	0.00
HD	1.12	1.10	1.11	1.11	1.11	0.00
HE	1.12	1.10	1.11	1.11	1.11	0.00
HF	1.12	1.10	1.11	1.11	1.11	0.00
HG	1.12	1.10	1.11	1.11	1.11	0.00
HH	1.12	1.10	1.11	1.11	1.11	0.00
HI	1.12	1.10	1.11	1.11	1.11	0.00
HJ	1.12	1.10	1.11	1.11	1.11	0.00
HK	1.12	1.10	1.11	1.11	1.11	0.00
HL	1.12	1.10	1.11	1.11	1.11	0.00
HM	1.12	1.10	1.11	1.11	1.11	0.00
HN	1.12	1.10	1.11	1.11	1.11	0.00
HO	1.12	1.10	1.11	1.11	1.11	0.00
HP	1.12	1.10	1.11	1.11	1.11	0.00
HQ	1.12	1.10	1.11	1.11	1.11	0.00
HR	1.12	1.10	1.11	1.11		

**Continued on Page 49**

هكذا صنع القهول



**NASDAQ NATIONAL MARKET****Som prices October 15**[illegible]

**4pm prices  
October 16**

[illegible]

**FINANCIAL TIMES**



## AMERICA

## Equities digest deluge of quarterly company results

## Wall Street

A DULL day on Wall Street yesterday saw equities languish early gains and move broadly lower as the market absorbed a deluge of corporate results and was hit at mid-session by rising oil prices, writes Karen Zagar in New York.

The Dow Jones Industrial Average finished 35.15 down at 2,381.19 amid unexceptional New York SE volume of 1.98bn shares. The Dow had gained 51 points over the previous two trading days. Declining issues outpaced rises by 1,070 to 474. The NYSE All Common Index ended 2.20 to 163.84 and the American SE composite lost 2.85 to 290.32.

Lower crude oil prices at the start of the day helped equities post an initial rise, but by mid-day November crude had started to recover and it ended up 94 cents a barrel at \$38.82.

Higher oil prices took their toll of the bond market, which opened on a mildly positive note but turned downwards as oil increased in price. However, bond prices picked up in late trading after the Senate budget panel approved the deficit reduction bill.

Newmont Mining shed 4% to \$34.40 after Hanson, of the UK, said it would sell its 49 per cent stake in the US company for \$1.8bn. Hanson ADRs slipped 4% to \$18.4.

Federal National Mortgage (Fannie Mae), which raised its dividend to 23 cents a share from 18 cents, fell 1/4 to \$37 in active trading.

General Electric weakened 3/8 to \$51. The company reported third-quarter earnings of \$1.18 a share against \$1.04 a year ago. GE declined 3/4 to \$27.4 after turning in third-quarter net income of 58 cents a share, down from the previous year's 53 cents.

Clidcor moved 1/2 lower to \$13. Although the bank reported reduced third-quarter earnings, it has maintained the dividend.

Mellon Bank was 3/4 easier at \$19.4 after posting third-quarter net earnings of \$1.19 a share, down from \$1.16.

Merrill Lynch slipped 3/4 to \$16.14 in reaction to net income of 38 cents a share, against 34 cents.

Nynex lost 3/4 to \$72.1/2 in active trading after the New York Public Service Commission staff recommended only a small rate increase for New York Telephone, which had been looking for more than \$1bn over three years.

A number of drug issues moved lower in spite of announcing improved third-quarter results. Pfizer dipped 3/4 to \$72.4. H.E. Robertson, which fell 1/4 on Monday, rallied 1/4 to \$4.4 after the company said it expects to post profits in the third quarter.

Flight Safety tumbled 3/4 to \$39.4 on third-quarter earnings reduced to 55 cents a share from 47 cents a year earlier.

Secondary issues also lost ground, with the NASDAQ composite off 4.11 at 325.43. The decline was led by software issues. Microsoft slid 1/4 to \$54.14 in spite of reporting earnings of 71 cents a share, at the high end of analysts' expectations.

Lotus Development initially fell 1/4 but recovered to end the day up 1/4 at \$14.4 after turning in sharply lower third-quarter earnings of 20 cents a share, down from 24 cents.

Weakness in Lotus and Microsoft hit Apple Computer, which dropped 3/4 to \$25.

## Canada

THE TORONTO market declined for the ninth consecutive session, with nearly all sectors ending weaker. Trading was modest.

The composite index lost 22.9 to 3,009.9 as declines outnumbered advances by 388 to 175. Volume of 24.3m shares was above Monday's 17.3m.

Albion-Price reported a third-quarter loss of C\$700,000 or 2 cents a share, compared with a year earlier net profit of C\$13.6m, or 18 cents a share. The latest period includes a pre-tax restructuring charge of C\$4.6m. The stock dipped C\$3 to C\$13.4.

## All eyes focus on Bombay's Diwali session

R.C. Murthy discusses whether the Indian market's bull run is drawing to a close

A SEVEN percentage-point surge on corporate tax came as a bolt from the blue for Indian stock markets last weekend. The surge was part of the Gulf levy package, which included petrol and diesel price rises of 25 per cent in an attempt to pay for the Rs40bn (\$2.2bn) increase in the crude import bill, following the recent oil price advance.

The 30-share index of the Bombay Stock Exchange, India's largest market which accounts for about half of total national trading, dropped 184 points or 14 per cent — the sharpest fall ever on a single day — to 1,306.77 on Monday.

The next day share values recovered part of their lost ground, with the index closing at 1,360.29 before the market plunged but share values surged in Bombay. The market authorities banned forward trading in an attempt to moderate the surge.

Based on the strong performance of the corporate sector,

Rs1,900 in an otherwise stagnant market, after falling from Rs2,100 to Rs1,600 earlier in the day. Several key stocks were also firm in both trading yesterday, suggesting that the market was having second thoughts about the effects of the 7 per cent levy.

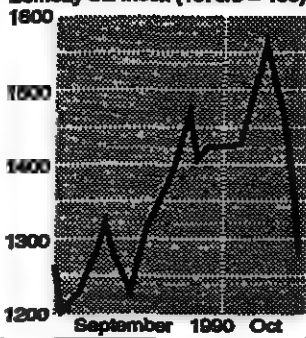
The stock market is at a crossroads and, therefore, a special trading session tomorrow will attract great interest. Diwali ushers in the new year for Gujaratis, predominantly a trading class from western India who dominate the Bombay Stock Exchange. Tomorrow's mood (inaugural session) is taken as indicating the course that the stock markets will take over the next year.

Indian stock markets are an enigma to foreigners. When Iraq invaded Kuwait, world markets plunged but share values surged in Bombay. The market authorities banned forward trading in an attempt to moderate the surge.

Based on the strong performance of the corporate sector,

## India

Bombay SE Index (1978=100)



Morgan Stanley had predicted about six months ago that Indian markets would reach their zenith, with the index touching 1,500, in December this year. That was considered a wild prediction, since the index was languishing between 900 and 1,000 early this year. But it crossed the 1,500 mark three months ahead of Morgan Stanley's target and touched

the peak of 1,500 on October 9. Tata Steel and Reliance Industries took over the leadership from ACC, which had earlier boosted share values in August and September, to propel the market to the top. The fall also came with relaxations in curbs on trading in actively traded scrips.

An increase in the prices of certain categories of steel, the distribution of which is controlled by the government, was a shot in the arm for Tata Steel, which saw its shares appreciate to Rs218 from Rs185 last week.

Reliance received a boost from the Gulf crisis, which made its petrochemicals and synthetic fibres competitive overnight on the international market.

Its shares, which had stuck around Rs85 at the beginning of the year, crossed the Rs200 level last week, attractive enough for the company to announce plans for a Rs5.7bn convertible bond flotation. The rights issue has partly

been designed to finance the controversial natural gas cracker project, which was to have been funded at the outset by supplier's credit from Larsen and Toubro, agreed upon when L and T was part of the Reliance group. The supplier's credit was cancelled after L and T was split from Reliance as the behest of the government in April.

The market appears to be losing steam. The BSE authorities recently doubled the positions allowed to brokers in forward trading to Rs15m on Monday, having sensed that the market was cooling. Merrill Lynch suggested last week that Indian share prices are overvalued and a correction is in prospect.

All eyes are on tomorrow's special trading session. If it emphasises negative features, such as the effect of the Gulf package on the corporate sector, the bears could emerge from their lairs and the recent correction might turn into a prolonged slide.

## ASIA PACIFIC

## Nikkei rises in futures-dominated trading

## Tokyo

TRADING was dictated by activity on the futures market yesterday and share prices rose in thin volume with investors and dealers alike scrambling for short-term gains, writes Michiko Nakamoto in Tokyo.

The market advanced steadily for most of the day, although prices faded towards the close wiped out some of the gains. After a high of 23,815.48 the Nikkei average finished 469.90 ahead at 23,606.10. The day's low was 23,143.41.

Although volume improved to 300m shares from Monday's 350m, most of the activity came from dealers, analysts said. Institutional investors, concerned about the outlook, chose to remain on the sidelines. Advances outnumbered declines by 740 to 347 with 116 issues unchanged. The Topix index of all listed stocks rose 25.36 to 1,731.68, but in London the FTSE/Nikkei 50 index firmed a mere 1.02 to 1,385.49.

The market found encouragement in lower oil prices and emerging hopes for reduced domestic interest rates. The strength of the yen and a firm bond market also helped. However, while the brighter environment provided some cheer, the futures market was the dominant influence yesterday, with prices on the cash market rising and falling according to futures movements.

Nevertheless, all this had a positive effect on sentiment, said Mr Masami Okuma at UBS Phillips & Drew. "Futures trading had a major impact on the market's shape all this year, so it should not be surprising if it leads its rise," he added.

Interest focused on laggards, particularly those supported by domestic demand. Retailers rose, with the Tokyo, the supermarket chain, adding 7.69 to ¥3,260. Taiyohimaya, the upmarket department store, increased ¥116 to ¥2,390. Financials advanced on hopes of lower interest rates. Fui Bank saw a strong rise of ¥110 to ¥1,890. Trust banks

attracted attention as underperformers. Sumitomo Trust and Banking was the day's second highest gainer with a jump of ¥170, or 3.4 per cent, to ¥5,140. Mitsubishi Trust and Banking added ¥130 to ¥1,430.

Rice chip electricals, which have been sluggish lately, came back into the limelight. Sony firmed ¥180 to ¥6,570 and Matsushita ¥70 to ¥1,550. TDK, the maker of magnetic tape, gained ¥140 to ¥5,200.

Nikkiso, a leading maker of precision pumps used by chemical manufacturers, surged ¥120 to ¥1,370 in active trading on talk that speculators were buying its shares.

Other speculative issues, however, were not so fortunate. Honshu Paper, a former front-runner, once again suffered the maximum daily loss of ¥400, or 18.6 per cent, to ¥2,160. Rumours were that speculators have stopped buying the issue and that the authorities were looking into trading in the shares.

Some recent gainers also succumbed to profit-taking. Marubeni, the trading house

which has been a recent favourite, lost ¥5 to ¥700. It was the most actively traded stock with 10.7m shares.

High-tech issues were strong performers in Osaka. The OSE average rose 465.51 to 2,800.99 on volume of 40.0m shares, up from Monday's 25.7m.

## Roundup

PACIFIC RIM markets put on a mixed performance yesterday. Kuala Lumpur is closed today for a religious holiday.

SINGAPORE firmed overall in light trading, but Malaysian shares recorded sharp losses, reacting to an East Malaysian party's defection to the opposition. The Straits Times Industrial index gained 3.34 to 1,101.77 on late buying. Volume rose to \$88.2m from \$83.6m.

KUALA LUMPUR ended broadly lower but some bargain hunting emerged towards the close. News that the Christian-based Bersatu Sabah Party pulled out of the ruling coalition just before the general election triggered some nervous selling early on. The composite index ended 9.80 lower at 467.89 after touching 465.58. Turnover expanded to 80.5m shares from 20.1m.

TAIWAN moved forward for the fourth consecutive session. The weighted index climbed 79.49 to 2,768.09 in volume of T\$18.81m.

NEW ZEALAND was narrowly mixed as currency movements and uncertainty ahead of the October 27 general election kept volume down.

The Barclays index closed 6.59 higher at 1,352.85 on a slender turnover of NZ\$38.2m. Brokers said the level would have been lower but for a big block sale of 600,000 shares in the market leader Fletcher Challenge.

AUSTRALIA climbed in quiet trading as investors were given encouragement by the one per cent cut in interest rates. The All Ordinaries index moved up 15.5 to 1,356.9. Volume picked up to A\$176.37m from Monday's A\$147m.

HONG KONG was boosted by rising overseas markets and relative stability in the Middle East. The Hang Seng index

advanced 28.19 to 2,948.57, rising for a fourth straight session. Turnover improved to HK\$650m from HK\$569m.

MANILA ended slightly lower after light trading dominated by professionals. The composite index shed 1.79 to 635.66, but volume increased to 51.2m pesos from the previous day's very thin 25.3m.

SEOUL suffered heavy profit-taking. The composite index fell 8.10 to 628.29 on a strong volume of Won254.9m, up from Won160.8m. Talks between South and North Korea did not provide the support which the market had been expecting.

BANGKOK closed slightly higher in thin volume dominated by the finance sector, the SET index rising by 1.06 to 653.91.

JAKARTA continued the slide which has cut 30 per cent off the index in the last 10 weeks. The index slipped 6.15 to 419.34. Trading in Jakarta International Hotel, suspended on July 31, will resume today after shareholders approved a quadrupling in the number of issued shares.

## EUROPE

## Confidence stays fragile despite some small gains

CONFIDENCE remained fragile in Europe yesterday, although some bourses managed to achieve slight gains, writes Geri Morris in Paris.

PARIS succeeded in closing above the 1,600 level on the CAC 40 index and volumes remained above their recent levels of recent weeks, suggesting that the gloom may have dissipated a little. The CAC 40 index gained 3.01 to 1,601.98 in turnover of about FF1.7bn after Monday's FF1.9bn.

Hopes of an interest rate cut stimulated buying, following a cut in compulsory bank reserves, although one analyst cautioned against over-optimism. A slightly bigger than expected rise in inflation in September curbed enthusiasm.

Suez achieved the session's biggest volume again, rising FF10.80 to FF306.80 with 465,800 shares traded after the recent appointment of a new chairman. The stock has risen 14.3 per cent in three days.

Michelin also continued to rise in active trading, adding FF1.70 to FF70.60 with 418,450 shares exchanged, although the stock slipped from its day's high of FF74.40. There is speculation that the tyre maker might confirm its development of new manufacturing techniques and a "green" tyre — mentioned in June — at an analysts' meeting tomorrow.

CYPRUS lost FF11 to FF73.4; the group reported a cut in first-half losses.

MILAN managed to register a small gain at the start of the new trading account thanks to support buying by the large industrial groups. In more favourable conditions, the market would probably have risen a couple of percentage points on the first day of a new account as investors renewed positions.

Volume was estimated at around Monday's L148bn. The Comit index rose 0.82 to 553.71.

"Today was very disappointing and reflects the mood of the last two months," one analyst said. He added that foreign investors, disenchanted with Italy, were continuing to offload their Italian portfolios.

From a technical point of view the market was looking vulnerable, as the Comit index hovered around 500, an important support level, the analyst said. If it fell below this, the next cushion was 600. He added that the index was near the lows seen in early 1988.

Ferruzzi Agricola Finanziaria plunged 1.88 or 8.8 per cent to L1.970 as the demand that emerged last week disappeared. Generally, whose one-for-10 bonus issue came into effect yesterday, rose L23 to L28.315.

FRANKFURT saw profit-taking on low turnover as the market continued to drift. The DAX index lost 18.17 to 1,460.72, and the FAZ eased 3.58 to 626.7, with volume down to DM3.5bn from DM4.4bn.

The automotive sector slipped again following Monday's announcement that European car sales in September were almost 5 per cent down on the same period last year. BMW fell DM9 to DM421.51, VW DMS40 to DM409.10 and Daimler DM7.50 to DM611.

Porsche was the only manufacturer to buck the trend. It moved up DM2.16 to DM71.1, but it has been weak for some time. Mr John Longhurst, analyst at James Capel, the UK securities house, said that the rise was merely a bounce following a bad fall on Monday.

Continental, the tyre manufacturer and takeover target, also suffered — apparently because of the misery in the automotive market. It slipped DM14 to DM257.

Good news was thin on the ground but settled on Herlitz, the paper products manu-

facturer, which has been bullish over prospects for office products in east Germany. It nudged up DM7 to DM351 after the company announced that it expected turnover for the year to be up by 35 per cent.

AMSTERDAM ended flat after a dull session. The CDS Tendency index rose to 96.1 before closing steady at 96.4. Atlas Holdings, the household durables to bicycles group, rose FI4.10 to FI114.50 in low volume after reporting a 36 per cent rise in net nine-month profits. There was also take-over speculation following the news that Robert Bosch of Germany had taken a 40 per cent stake in Atlas's heating equipment subsidiary. But one analyst noted that 40 per cent of Atlas was in family hands, which reduced the chances of a hostile takeover.

Frans Maas, the transport group, was under pressure, losing 20 cents to FI66.30 on rumours that KLM, the troubled national airline, might sell its 35 per cent stake to raise cash. Analysts also said that Nedlloyd's problems with its road haulage division weighed on Frans Maas.

MADRID edged higher again, with the general index up 1.43 to 218.45. OSLO's all-share index slipped below 500 for the first time since December on worries about a split in the government. The index fell 58 to 498.94, another 1990 low.

STOCKHOLM slipped as short-term credit yields rose. The Affarsvarlden General index lost 10.8 to 963.5 in turnover of SKr21.1m, up from SKr17.7m. Trolldborg restricted. It lost SKr2 to SKr15 after the company downgraded its profits forecast.

ISTANBUL's turnover grew to TL101bn from TL75.5bn, but the index lost 108.79 or 2 per cent to 5,154.50.

## VIEWPOINT

## The Commerzbank report on German business and finance

## Air transport: deregulation will stimulate growth

Worldwide, the air transport industry is expanding. With annual growth rates of between 5 and 7%, the size of the air travel market should double by the start of the next century when total passenger volume is expected to reach two billion. As consumer spending on leisure in general is increasing, private travel should show even stronger growth than business travel in the years ahead. However, air cargo demand will be boosted still more, thanks to the emergence of truly global markets for products. Many high-tech products are already being sent by air, and the fact that more and more companies are switching to "just-in-time" inventory and distribution systems means that air cargo should remain a high-growth sector for some time to come.

While demand for air transport is buoyant, competition in the industry is also intensifying and, in many cases, this has already pushed rates down. The process of airline deregulation, which began in the United States in 1978 and is largely complete there, is now gaining momentum in Asia and Europe.

Changes in Europe

The pace of liberalization in the European Community in particular is quickening. Plans call for the creation of a unified EC market in air

transport by 1993. From then onwards, the member countries' airlines will be free to set their European fares at whatever level they choose. They will be permitted to offer flights to any destination within the EC. In the meantime, the strict regulations which currently govern the

allocations of routes and the approval of fares by national transport ministries will be eased somewhat.

The first deregulation measures, which came into effect in 1988, focused on three aspects: fares (the introduction of two discount zones was approved); the previously rigid distribution of capacities between the airlines; and market access. From November 1, 1990, airlines will be allowed to introduce a new staggered system of rates. In some cases, e.g. if round trips are booked well in advance, price

reductions of up to 70% will be offered.

More liberal rules will also be applied in the allocation of routes and capacities, with restrictions on the operation of passenger services between member states by EC carriers (cabotage) being lifted.

Action needed

While liberalization will clearly boost demand for air travel in Europe, the scope for a major expansion of air traffic volume is at present limited. The existing constraints can only be overcome through a package of measures, including improved coordination of air traffic control and investments to expand airports.

However, the air transport industry as a whole will have to make large outlays in the coming years. Over the next ten to fifteen years, the world's airlines will probably need to buy a very large number of new aircraft. Financing such a huge investment will certainly represent a great challenge for most of them, especially since their profit margins can be expected to narrow as competition heats up.

## COMMERZBANK

German knowhow in global finance

VIEWPOINT is presented as a regular service to the international business and financial community by the Economics Department of Commerzbank, P.O. Box 100505, D-6000 Frankfurt/Main 1.

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## FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWestWood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

REGIONAL MARKETS															
Figures in parentheses show change in number of lines of stock															
	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg	Gross Div.	US Dollar Index	Pound Sterling Index	Yen Index	Local Currency Index	Local % chg	YTD Low	YTD High
Australia (78)	123.48	-0.3	93.72	100.04	97.78	103.78	0.0	7.46	127.65	95.90	103.84	100.71	108.82	151.31	128.49
Austria (18)	184.14	+2.5	151.13	101.25	105.68	157.52	+2.5	1.73	184.33	145.93	118.03	105.28	193.85	280.63	175.57
Belgium (61)	134.72	+0.9	102.24	105.12	105.67	104.15	+1.0	5.56	135.50	100.51	108.60	105.28	103.09	102.01	126.87
Canada (120)	122.78	-0.9	83.17	95.44	97.19	102.40	-0.9	3.91	123.85	80.00	100.69	97.85	102.88	103.61	122.78
Denmark (33)	248.07	-0.1	189.52	102.22	107.76	102.42	-0.1	945.10	247.51	202.24	108.85	107.62	224.55	277.82	234.55
Finland (28)	101.18	+0.4	76.70	81.97	80.12	76.46	+0.3	3.56	103.73	75.67	81.53	79.46	76.08	102.29	125.83
France (123)	138.81	+0.6	103.91	110.90	106.40	109.08	+1.2	3.76	135.78	101.58	116.41	107.06	106.31	188.85	149.96
Germany (91)	115.22	+0.3	87.44	93.35	91.25	91.23	+0.7	2.47	114.85	82.54	93.59	90.56	144.63	101.35	121.90
Hong Kong (66)	118.43	-0.1	86.94	95.78	91.23	91.23	-0.1	0.63	118.51	86.81	95.78	90.77	108.85	108.75	118.43
Ireland (17)	153.58	+0.4	116.54	124.59	121.59	122.78	+0.6	4.26	152.90	114.84	124.30	122.09	122.05	195.57	139.04
Italy (91)	83.31	-0.7	63.23	67.48	65.97	71.03	-0.3	4.33	83.88	62.98	68.19	66.14	71.24	109.26	80.87
Japan (25)	128.15	+3.4	97.26	105.61	101.48	103.81	+3.4	0.63	129.01	100.77	97.97	90.77	108.85	108.75	128.15
Malaysia (16)	138.64	+1.3	143.93	153.61	150.15	157.02	+1.3	1.11	140.97	137.51	153.61	150.15	157.02	188.85	138.64
Netherlands (41)	491.18	+0.0	372.78	365.89	363.92	358.00	0.0	4.03	491.18	368.91	362.44	367.38	388.09	281.41	324.53
New Zealand (18)	133.05	-0.5	100.98	107.78	105.35	104.24	-0.2	5.49	133.78	100.48	108.78	105.51	104.47	146.07	127.52
Norway (28)	50.73	-2.2	39.79	41.92	41.92	41.92	-2.2	1.64	50.46	39.90	795.87	39.92	42.48	276.23	112.00
Sweden (25)	160.83	-0.6	114.50	122.27	119.51	119.84	-0.8	3.57	160.71	112.44	121.78	118.07	118.18	209.24	147.58
South Africa (80)	180.19	-1.2	121.57	128.78	126.83	126.14	-1.0	4.33	182.14	121.70	131.92	127.87	133.69	251.59	136.35
Spain (42)	137.50	+0.2	105.12	105.12	105.12	105.12	+0.2	1.10	137.50	105.12	105.12	105.12	105.12	105.12	105.12
Switzerland (87)	91.82	-0.2	69.69	74.38	72.71	73.29	-0.6	2.91	91.97	69.78	74.04	72.55	72.87	103.95	85.00
United Kingdom (300)	184.07	-0.9	124.52	132.59	129.90	124.52	-0.2	5.69	185.53	124.33	134.00	130.54	124.33	178.18	138.97
USA (353)	122.15	+1.1	92.70	95.85	95.72	122.15	+1.1	4.02	122.04	90.78	96.27	95.31	92.04	148.93	119.36
Australia (196)	198.39	-0.2	103.51	110.49	108.00	106.95	-0.4	4.41	198.71	102.68	111.18	107.89	105.93	172.66	124.91
Canada (114)	184.85	+3.0	96.64	103.18	103.03	104.01	+2.8	2.22	182.59	92.83	104.10	103.45	103.17	223.72	177.82
Europe Basin (632)	121.17	+1.8	99.70	106.41	104.02	105.56	+1.8	2.57	129.26	97.09	105.12	101.95	103.74	174.18	116.03
Pacific Basin (508)	133.50	+1.0	92.57	99.92	98.60	120.96	+1.0	4.02	130.40	90.83	98.38	95.40	119.85	148.35	119.26
Europe Ex. UK (266)	119.18	+0.3	90.45	95.56	94.39	94.59	+0.6	5.34	118.69	89.92	96.70	93.78	94.35	148.62	109.94
Europe Ex. Japan (892)	117.08	+0.5	90.45	95.56	94.39	94.59	+0.6	5.34	118.69	89.92	96.70	93.78	94.35	148.62	109.94
World Ex. UK (248)	127.05	+1.5	98.85	106.59	104.10	104.12	+1.7	2.83	128.82	97.38	105.42	102.34	104.40	173.77	117.12
World Ex. UK & Ex. Japan (284)	123.70	+1.7	93.88	102.91	97.95	106.78	+1.6	2.76	121.07	91.38	101.95	99.97	103.01	162.00	115.37
World Ex. UK & Ex. A. (2288)	127.05	+1.4	98.45	106.26	100.64	111.09	+1.5	3.00	125.36	94.15	101.95	99.97	103.01	181.84	118.04
World Ex. Japan (1894)	128.10	+0.3	97.22	103.78	101.45	115.15	+0.7	4.27	127.68	95.90	103.84	100.72	114.41	161.59	131.94
The World Index (284)	127.29	+1.4	96.60	103.11	100.78	111.24	+1.5	3.09	125.07	94.31	102.12	99.04	108.84	162.05	118.33

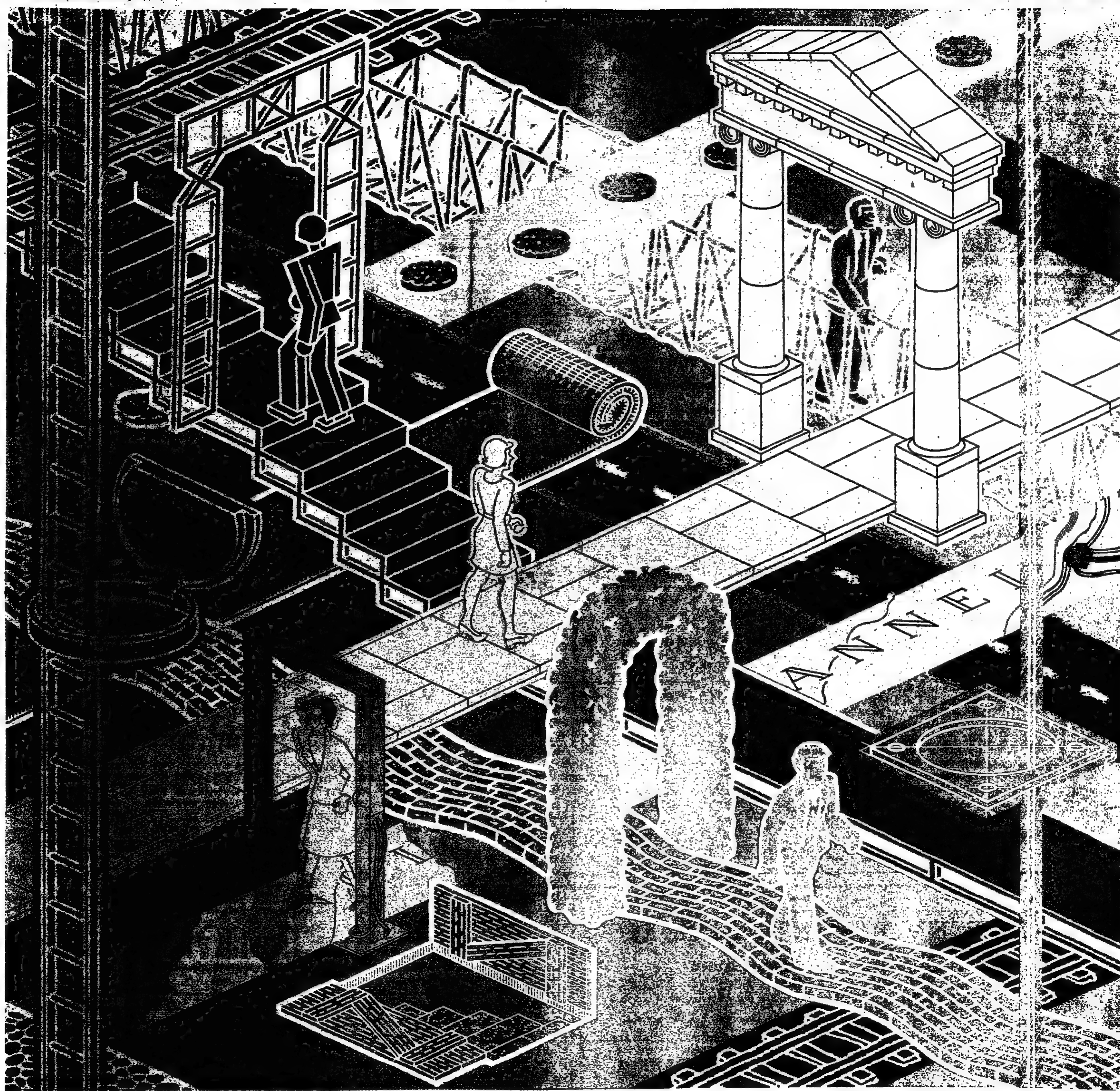


FINANCIAL TIMES

1

# CareerChoice

TWO - PART COMPREHENSIVE GUIDE TO GRADUATE OPPORTUNITIES



■ Crunch time for students ■ How to assess career opportunities ■ The hazards of lying ■ Captains of industry tell all ■ How to look good ■ Interpreting hype in the brochures ■ Killer questions

■ Body language ■ Testing for drugs ■ Symptoms of madness in employers ■ Plug into a network ■ Regional choice ■ Jobs for the girls ■ The 'cricket test' ■ Mature students ■ International prospects

Section 1: Choosing a career. Section 2: A complete A to Z guide to graduate opportunities



# The introduction

## EMPLOYMENT OUTLOOK

# Fear of recession casts a shadow over job market

Education Correspondent Norma Cohen looks at prospects

THERE IS no question that the job market for many graduates will be tougher this year than for some time past. Not only has the much-vaunted demographic time bomb failed to make a dent on the numbers entering higher education, but employers are feeling the pinch of near-recession. High interest rates and high energy prices are prompting companies and public sector employers to cut corners everywhere they can.

However, it is too simple to say that demand for graduates is falling. Instead, according to the Institute for Manpower Studies (IMS), a two-tier market for graduates is emerging. According to Mr Geoffrey Pike, research fellow at IMS, demand for graduates in technological and scientific fields is stronger than ever, as universities report declining numbers of applicants seeking courses in these fields.

Indeed, employers are reaching further down the qualifications scale, hiring those with higher education diplomas to fill scientific jobs. One in three employers in a recent IMS survey reported difficulty in hiring qualified graduates in these fields. No other category of graduate created such recruiting problems for employers.

A recent survey by the Association of Graduate Recruiters found demand for computer scientists and engineers continuing to grow, while the overall number of job vacancies has fallen.

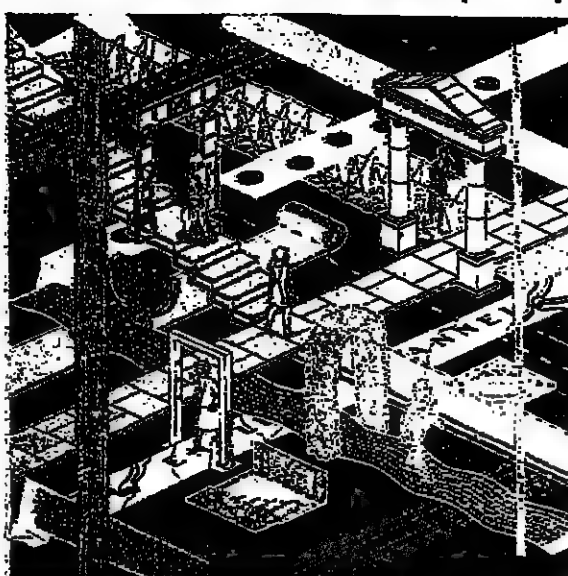
But those graduates with liberal arts or generalists degrees are likely to have a tougher time than their predecessors in the late 1980s. The data show that graduates with arts degrees are more likely than average to be without jobs six months after graduation.

Anecdotal evidence also confirms the downturn in demand for graduates. ICI, for instance, is one of several companies reporting that they plan to restrict their graduate intake this year, while other industries remain equally affected.

One recent survey, for instance, found that the percentage of graduates entering careers in banking and finance fell to 5.6 per cent in 1989 from a peak of 7.3 per cent in 1986.

However, graduates need not despair. For one thing, bear in mind that the quality of your academic credentials is only one factor employers take into consideration when making decisions about hiring.

Personality, enthusiasm, and motivation all count. Also, many jobs are unadvertised, often with smaller companies, and may provide you with opportunities you have not yet even considered.



**The milk round is a phenomenon you are likely to encounter on campus later this term, when a host of eager employers do the rounds of the universities and polytechnics**

Also, recruitment efforts are likely to be as strenuous as ever. Although overall demand may have fallen, employers still believe it is necessary to hire talented, intelligent young people and they are willing to compete fiercely for the best.

Meanwhile, the decline in overall job vacancies appears to have had little impact on the infamous "milk round" with more companies than ever eager to tout themselves to graduates.

The milk round is a phenomenon you are likely to encounter on campus later this term, as a host of eager employers do the rounds of the universities and polytechnics.

Each one will demonstrate many good reasons why you should consider working for them, and it will be up to you to examine their presentations carefully. In this survey, you will find articles helping you to make sense of recruiting literature.

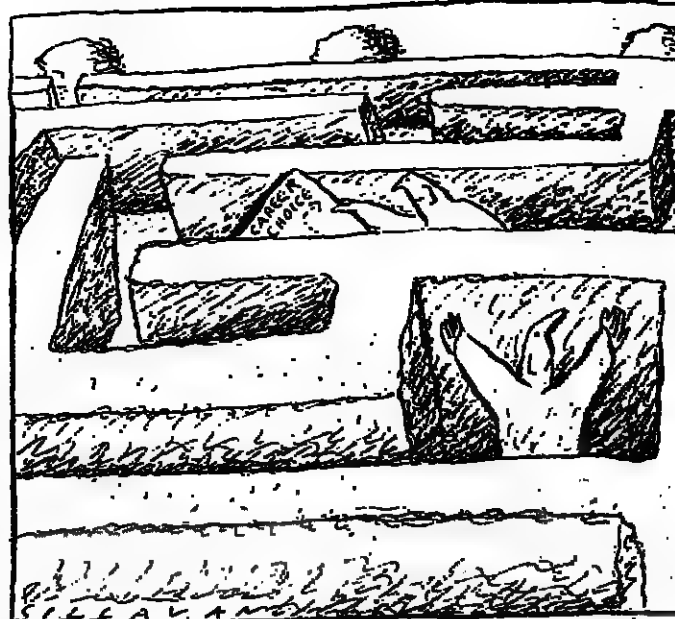
The AGCAS/CSU survey found that 34 institutions actually reported an increase in the number of companies appearing on the milk round in 1989. Furthermore, companies have significantly broadened their search for qualified people to include more polytechnics and colleges, suggesting that the perception of degrees from those institutions is rising in the estimation of employers.

The survey also found good news in the increasing willingness of employers to consider applicants who had taken a year off after graduation to travel abroad or to pursue other interests. Indeed, several are now pitching their recruitment efforts at those seeking short-term employment for the year off, increasing options for graduates.

One new factor that is shaping the employment picture for graduates is the rapid approach of European integration in 1992. The AGCAS/CSU survey found that employers from Continental Europe are slowly starting to participate in campus milk rounds and this summer's London Recruitment Fair contained a "European Pavilion" with eight employers. Meanwhile, some UK institutions publicise employment opportunities in Europe. For those with languages in particular, the approach of 1992 opens new avenues of career opportunities that have not even been explored yet.

So there is little need to approach the career hunt with trepidation. In this survey, we take you step by step through the process, offering advice on the very wide range of career opportunities available to graduates in all disciplines and suggesting ways to put your best foot forward.

So good luck!



## Direction-finder for graduates

Hints on how to use this guide

IT IS probably best to view Career Choice as a kind of shopper's guide to job-hunting, a guide that will take you step by step through the process of making up your mind. The guide is designed to keep in mind the specific issues facing graduates, as well as to provide you with up-to-date and accurate information covering more than 80 careers.

In Part One, we've tried to give you the basic picture about the market for job-hunters under the heading The Choice. In the section covering The Market, we tell you what salaries are likely to be, where the jobs are, and how likely you are to settle into a career in your first job. Remember, like love, a job may not be forever, so we lay out the options for you.

In the section on The Strategy, we describe the nuts and bolts of job-hunting. We tell you how to write a curriculum vitae and covering letter, and we have asked graduate recruiters to tell us about some of the real bloopers they've received over the years. Our article on killer CVs suggests ways to avoid shooting yourself in the foot. We also offer a few thoughts about lying.

In the section on The Interview, we describe good interviewing techniques, and we've asked employers to tell us about the sort of dress code they expect applicants to follow. (For most job interviews, men should remove the ear-ring, they advised.)

Also, our fashion writer, using student models from City of London Polytechnic and Westfield College, London, shows you how to pull together an attractive interviewing outfit at a price a student can afford.

Under the heading The Alternatives, FT writers tell you about non-traditional job-hunting techniques, as well as what the job picture is like in Britain's key regions.

But what if you've followed the best advice on career hunting and still do not have a job? In the section marked The Reassessment, we suggest options for your next move.

Under the heading The Obstacles, we discuss the par-

ticular difficulties that women, older graduates and members of minority groups may have in obtaining the jobs of their choice. We offer some practical advice for coping with these obstacles and highlight the experiences of those who have been there.

Finally, in the section The World, we urge you to think international. We've included a series of articles called "So You Want to Work In..." which covers France, Italy, Germany, the US and the European Commission in Brussels. We also discuss the implications of 1992 for job-seekers and talk to some employers who are interested in hiring outside the UK.

In Section 2, FT writers describe career opportunities in more than 80 fields ranging from the sublime to the ridiculous, all in alphabetical order.

Are you interested in being a rock star or joining the recording industry? Arts management? Acting? Would you like to make Green issues your life's work? Then see our article headed Environment. Or if your tastes run to the more traditional, there are four articles on the engineering industry and an equal number on Law.

Even if you think your qualifications are not well suited to a particular industry, it may be worth your while to read the article anyway.

Our construction writer, for instance, found employers intensely eager to hire arts graduates.

Each article sums up the latest industry trends, telling you whether the sector has been hit by mass redundancies or faces intense competition from foreign firms.

We have also included articles for graduates with degrees in Economics, Languages and Mathematics, outlining the myriad career opportunities that exist in these disciplines.

At the bottom of each article is a section entitled Further Information in bold type. This gives names and addresses of people and organisations who can provide further details about careers.

Norma Cohen

## TRAINEE INVESTMENT MANAGERS Allied Dunbar Asset Management

Founded in 1971, Allied Dunbar has long been recognised as an innovator in the UK financial services industry. With an approach that has revolutionised the life assurance industry, we have grown dramatically over the last 20 years - and that growth continues. Today we have over 3,200 employees and serve over one million clients. We are the UK's largest combined unit-linked life assurance and unit trust group.

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# The choice

## CRUNCH TIME

# Stand back and look critically at yourself

John Thornhill examines ways of choosing a career

IT CAN be a terrible feeling. You start your final year without a clue about what you are going to do at the end of it. You see your friends disappearing surreptitiously to the careers advisory service and then, somewhat alarmingly, hear them talking animatedly about interviews and salaries, speaking in a jargon that you do not understand, nor care to.

Your parents quiz you anxiously about what you intend to do after graduation. Your teachers ask the same and you lie awake at night worrying about the future.

To compound your misery, the bar-room bores sneer that your student days are numbered; that the best days of your life will soon be over; that bourgeois respectability beckons. A car, a mortgage, 24 children and the commuter train loom ominously on the horizon.

But all is not quite the picture of unremitting gloom you at first imagined. It is, of course, possible that the whole world is conspiring to deprive you of the opportunity to fulfil your natural talents but it is highly improbable.

In spite of the recessionary tinge to the UK economy, unemployment among graduates is still low - around one in 30 - and, what is more, some people have been known to enjoy their jobs. Yes, there is life in the "real world" and much pleasure, too.

The other gratifying place of knowledge you might take comfort from is that you are not alone. According to a recent study, nearly half of all final-year undergraduates had not decided on their career path until they reached their final year. Indecision is common.

The crunch issue is how to go about ensuring that you choose the right future for yourself and this article suggests ways to find that elusive job. But it has to be stressed that there is no easy or perfect solution. Careers advisers cannot hand you the answer on a platter, nor can careers guides spell out the magic formula. It is up to you to find it.

The first and best place to begin your search is with yourself. Before deciding on a career, it pays to analyse as objectively as possible your strengths and weaknesses.

Some careers advisers recommend that you write down

## Self-assessment

LONDON University careers service has adopted a systematic method of self-assessment called Caters. By answering all the categories honestly, you can gain a better idea of where you should begin to look.

Circumstances - what are the factors that will limit your future career options? Are you tied to an area of the country by family or friends? Is there financial pressure for you to earn money quickly?

Abilities - this is usually the hardest area to assess because of the difficulty of being objective. But you should consider what class of degree you're likely to achieve, your level of numeracy and literacy, whether you're a born leader or a fixer, how conscientious or lazy you are.

Timing - how quickly do you need to find a job? Do you want to take a year off to travel or to work abroad? Do you want to postpone the whole messy process for a while and do a post-graduate degree?

Emotional Response - how would you feel about working for various organisations? Would you feel that you had "sold out" if you became an accountant? Would it worry you to work in a high pressure environment or do you want a more laid-back lifestyle?

Strategy - how do you intend to go about achieving your goals? If you want to find a job on the milk round you had better get cracking soon. If you want to wait until after finals and search for a job at the summer recruitment fairs, then you can afford to adopt a more leisurely plan.

These characteristics because this will help concentrate your mind and force you to address the negative as well as the positive sides of your abilities. You may also wish to ask friends for candid assessments of your personality because they will give a far more objective appraisal of your talents.

Computer aids - such as Gradscope, Cascade and Prospect - can also be used for this purpose, although many careers advisers feel these devices are of variable use. But by analysing your abilities you can begin to narrow the range of possible careers.

For example, if you feel you are exceptionally good at communicating with people you may wish to use these skills in a range of professions, such as teaching, marketing, social work or journalism. But if you are not one of life's natural extroverts you may be inclined to look at careers where you can exercise other skills.

Unless you already have a burning desire to follow a particular path, you will probably find it easier to decide what you do not want to do.

Some of these decisions will be easy. Working for an accountancy firm is not a good idea if you are innumerate. By using this process of elimination you can, with a little thought, preclude many of the career options outlined in the second section of this survey.

Think also about your specific interests and the type of occupation which excites you. Write down these interests and reflect on whether you would ideally wish to pursue these in a career or whether you would be happier to keep them as leisure activities.

Although you may come fully alive only when listening to heavy metal music, it might well be that you would not choose to become a rock musician... but then again you just might.

Once you have made a preliminary assessment of your areas of interest you will be in a far better position to benefit from the guidance your careers service can provide. They should, at least, be able to give you some idea of whether your ambitions are realistic or completely off the wall. They will also be experts in telling you how to find out more about your areas of interest: whether you need further training; how many vacancies there are in that field; what the opportunities are like; which companies recruit graduates from your degree discipline.

At this point the search becomes really interesting and can often be fun, for it boils down to matching your ideal expectations to real-life possibilities. A career in the civil service, you may decide, is not sufficiently appealing because it may mean living in London. A career in teaching may not attract because the pay is too poor. Only you can evaluate such competing issues and rank your order of priorities. Only you can decide.

SO YOU fancy a balloon trip across the Kalahari Desert? A canoeing expedition down the Amazon? Or, perhaps even a spell of voluntary work?

Well, there will probably never be a better time to follow your fancy and indulge your whims. Never again are you likely to have so much flexibility and so few commitments as the period after graduation.

Furthermore, you are likely to be in good company, and employers are increasingly willing to be flexible about hiring you, according to a recent survey conducted by the Association of Graduate Careers Advisory Services and the Central Services Unit. The survey found that interest in settling on a long-term career immediately after graduation has declined. The number of graduates entering direct into full-time employment in 1989 fell to 47.9 per cent from 51.5 per cent just one year earlier. Meanwhile, employers are increasingly prepared to keep an open mind. Indeed, several have begun to tailor recruitment literature for the graduate seeking short-term opportunities using such phrases as "We equip you for life".

But if you do want to take a year off, it still may be wise to dip your toe into the market and test the temperature.

The contacts you make and the knowledge you gain may prove invaluable when you start hunting for a job in earnest. And you may even find an employer who is willing to wait and who encourages you to seek adventures before embarking on a career.

A good reason for starting the job-hunt while at college is because it is easy to do so. As an undergraduate you are much in demand and companies scramble to sell themselves as potential employees - a process never repeated in the outside world. There is also ready access to information and a careers advisory service. It may be worth competing for jobs in your final year but letting your prospective employer know of your plans. Many employers, particularly in the private sector, offer students deferred entry and can be surprisingly flexible.

Almost a third of Unilever's graduate intake, for example, postpone their entry for a year. The company is happy to let them do so in the belief that it



After graduation, there'll never be a better time to head for the wild blue yonder

## BREAK POINT

# Up, up and away...

Pros and cons of taking a year off examined by John Thornhill

will have more mature and worldly-wise employees.

However, some employers are less accommodating, and this may become increasingly true because of the uncertain economic times ahead.

"With the impending recession it becomes more difficult to predict how many vacancies you will have in 12 months' time. This makes it hard to offer deferred entry," one recruitment manager explains.

Smaller companies, in particular, may find it impossible to match the flexible practices of their bigger competitors, and

are more likely to insist that students join them as soon as possible.

If you decide to postpone your job hunt and head immediately for the wild blue yonder, then it would make sense to return in time for the welter of summer recruitment fairs.

These are often enormous events with scores of companies in attendance and many jobs on offer. Last year, the biggest of these fairs, organised by the University of London Careers Advisory Service, attracted more than 200 employers and 10,000 students.

Another good way of searching for jobs is to scour the Current Vacancies list, which contains dozens of opportunities. These lists are available from your careers service.

Chris Giblin, who has just graduated from Bristol University with a degree in biochemistry, is setting off on a year's trip around the world. But before doing so he is trying to arrange a place at law college and a sponsorship from a City firm. "I want to know what am coming back to as I don't know what the job market will be like when I return," he says

## SNOB APPEAL

# Degrees of prejudice

Norma Cohen on polytechnics versus universities

FOR YEARS, the conventional wisdom has been that you go to a polytechnic when you cannot get into a university.

Although for a very large number of polytechnic students that has never been the case - and is less so now than ever before - unfortunately some employers still see it that way.

It is fair to say that some polytechnic students who had thought of attending university, were unable to do so because of poor A-level grades.

While many have blossomed in higher education, careers officers acknowledge some of Britain's most respected employers still hold their polytechnic degrees against them.

While careers advisers are reluctant to name publicly employers who are reluctant to hire polytechnic graduates, privately they reel off a list which includes some of Britain's household names.

"It's still harder for the polytechnic camel to get through the eye of the needle at companies like these," said Ms Pat Pearce, head of the careers service at Central London Polytechnic.

"Some employers still look more favourably at a student with good A-level grades and a 2.2 grade at university than a student with poor A-levels and an honours degree from a polytechnic," said Mr Paul Grant, senior partner at the Job Shops, a recruitment consulting firm with branches at Leicester University and Nottingham Polytechnic.

Counsellors acknowledge that for some employers university entrance "points" based on A-level grades still act as a screening device to weed out unsuitable applications. The big accountancy firms and City law firms are the most frequent users of this system.

Still, by all accounts, employer attitudes towards polytechnic graduates have improved markedly, even within the past three years, Ms Pearce says.



newer institutions producing fewer graduates than universities, they have done remarkably well in selling themselves, particularly as providers of high-quality technical and business education.

For certain kinds of qualifications, employers even say they prefer polytechnic graduates, especially those who have been through "sandwich courses" involving work placement.

Indeed, a recent survey by the Association of Graduate Careers Advisory Services and the government's Central Services Unit reveals that the number of companies who visit polys during the milk round has risen significantly in just three years. Milk-round employer bookings at polys in 1990 averaged nearly 80 per institution, up from 57 in 1987. Meanwhile, the average number of milk-round bookings at universities totalled about 143 in 1987, falling to about 141 in 1990.

And, perhaps because of the business orientation of many polytechnic graduates, they are more likely to be employed full-time immediately upon graduation, the latest statistics show. In 1989, 60.6 per cent of university graduates immediately found work, compared with 70.7 per cent of their polytechnic counterparts.

ity graduates may have been depressed by the number of graduates doing post-graduate work, the statistics reveal polytechnic graduates are at least as employable, if not more so.

Mr Eric Whittington, senior careers adviser at City of London Polytechnic, believes the profile of polytechnic graduates has improved as earlier graduates move up into middle and senior management positions. "Now they are coming back to their old institutions to recruit," he said. "Employers are waking up to the fact that polytechnics are not second tier."

For those polytechnic graduates facing the job market for the first time, careers counsellors offer this advice. Mr Grant says students should consider applying to small or medium-sized companies which offer good training, rather than going for blue-chip names. "Don't compromise on training, but do consider a less well-known firm," he urges. Once you have been through a good training programme and have earned a professional credential, your polytechnic background almost does not matter, he says.

Ms Pearce says students would do well to present themselves to recruiters at as many career fairs as possible. "Sometimes those who have been unlucky in a paper sift [of job applications] have been lucky in a careers fair. They come across much livelier in person and ultimately it's personality that employers are looking for."

Also, she urges graduates to prepare themselves for the interview by considering how they will answer a question about why they attended a polytechnic rather than a university.

Rather than dwelling on, say, poor A-levels, the student should talk about the skills they have learned at the polytechnic, particularly those which demonstrate leadership

# CRAC Insight Programme

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In 1991 47 Insight into Management courses will be run at the following universities (or polytechnics):

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CARDIFF	LIVERPOOL	STIRLING
DUBLIN (Trinity College)	LONDON	STRATHCLYDE
DUNDEE	LOUGHBOROUGH	SUSSEX
DURHAM	MANCHESTER	WALES
EDINBURGH	NEWCASTLE	WARWICK
EXETER	NOTTINGHAM	YORK
GLASGOW	NOTTINGHAM (Polytechnic)	

Students from any discipline can participate and find out about a variety of managerial careers from banking to marketing, from information technology to personnel, by working in groups with practising managers, who are themselves recent graduates.

## Interested?

Contact your university or polytechnic careers service. If your institution isn't listed here, and you are studying for a degree, then you may be interested in our National Course, to be held in Cambridge from 9-12 April. Please call Sheila Lumbar for details at CRAC.

Would your company like to be put in touch with motivated undergraduates at 31 institutions nationwide? Do you have recent graduates on your staff who would be good ambassadors for the company and who would benefit from steering a group of students during an intensive 4 day course?

If so, then please call Christine Bishop for details at CRAC.

CRAC Insight Programme, Sheraton House, Castle Park, CAMBRIDGE, CB3 0AX  
Tel: (0223) 460277 Fax: (0223) 311708



# The market

## CHANGING JOBS

### A first employer is not forever

Michael Smith analyses why some trainees drop out

JANE CROSS\* was left in no doubt about her employers' annoyance when she handed in her resignation at the advertising agency where she had begun her post-university working life as a graduate trainee 18 months before.

Until then, the managing director had always been friendly, she says. "After I resigned, he ignored me, even when he saw me in the corridor. I could not believe it."

The managing director's attitude may have seemed petty. But his frustration is perhaps understandable.

Estimates of turnover in graduate recruits vary but most employers feel they are lucky if they can hold on to half their trainees for more than five years.

In industries, where the trainees do not come out with a formal qualification at the end, the wastage rate is even higher.

According to Mr Stuart Rochester, of the Association of Graduate Recruiters, employers accept they will inevitably lose some of their graduate recruits to other employers in similar fields.

"Procter & Gamble will suffer from marketing trainees moving on to, say, Mars, but then they will get some of the Mars former trainees. Where it hurts is when the former trainee goes into an unrelated area."

However, try as they might, employers will never be able to

avoid losing people to other employers, related or not. It is not entirely the fault of employers. Many graduates never intend to stay with their first employer for much longer than their training period.

Ms Paula Grayson, chair of a recruitment working party at the Institute of Personnel Management, says that a recent, unpublished survey for private clients by an opinion poll organisation, found that about half of graduates starting training courses did not expect to stay with their employer for more than three years.

Another difficulty, says Ms Grayson, is that some graduates suffer from the cultural change between university and work life, with the most vulnerable period being between one and two years after starting their first job.

"Some see themselves changing and they do not like it. Others find they misinterpret what the job was."

Employers also have to face the fact that many graduates join without any burning sense of vocation. Mr David Atkins, a 25-year-old graduate of Birmingham University, chose to join an accountancy firm because he thought it would provide a training which could leave his career options open.

He had ideas of working in business afterwards but after thirty months' training as an accountant he decided on a completely different career path, teaching mathematics.

"Accountancy was hard work but that was not reflected in the amount of satisfaction I got out of it," he says. "In teaching the rewards are more direct, partly because you are working more with people."

Mr Atkins thinks he should have left accountancy a year earlier but he has no regrets about embarking on the traineeship in the first place because "it made me think about what I wanted to do". He has few complaints with the company with which he trained or the training it gave him.

Jane Cross, who moved this year from public relations to a marketing job, is rather more critical of her training and the job she did for her former employer.

"They promised so much but failed to deliver," she says. "There were supposed to be regular training days but they were few and far between. The in-house trainers often did not turn up and when they did they offered an insultingly low level of guidance."

If there had been more job satisfaction Ms Cross might have stayed longer. In fact she found little to stimulate her.

"I had hoped to get involved in communications and strategy. In fact, a lot of the job was booking hotels for company chairmen or making sure that press releases got to journalists."

According to the Institute of Manpower Studies, the disillusionment experienced by Ms



Cross is not uncommon, partly because employers make unrealistic promises in their attempt to attract the best candidates.

In a recent report, You and Your Graduate, IMS said that the reality of the job does not always meet the expectations. This leads to disillusionment, demotivation and even early leaving.

The report was aimed at advising employers but graduates seeking jobs have plenty to learn from it. Ms Wendy Hirsch, one of the authors, says

the main problems for graduates to watch out for are:

- Whether the jobs they go to, on joining the company, are meaningful;
- Whether the company has oversold the job or training scheme;
- Whether the managers are interested in training;
- Whether there is a proper feedback scheme so that trainees can air their grievances and discuss their problems;
- Whether there is a career structure after the training scheme ends.

But even graduates who take

this advice will by no means be guaranteed to find the right scheme. For some, the only method of discovering they are in the wrong field is by getting into it first.

Ms Clare James\* thought she had a career carved out in personnel management when she joined the graduate trainee scheme of a large retailer. She left after 11 months.

Part of the problem was that she was given a general training in retailing when she was really only interested in personnel. "I did not give a damn about how many blouses were

sold each week and I showed it."

"What seemed to matter was not so much what you were doing but whether people knew you were doing it. They were trying to turn me into something I was not."

In the end Ms James decided to get out of the training scheme and of personnel and is looking for a job. "I want to do something where I have my own pet project," she says.

\*Jane Cross and Clare James are assumed names to protect the identities of the interviewees.



How times have changed. Albert Finney smoulders over his lathe, the typical worker of thirty years ago

## BRAVE NEW WORLD

### Work today isn't what it used to be

John Gapper looks at the changing demands of the workplace

IN THE 1960 film *Saturday Night and Sunday Morning*, Albert Finney is a lathe operator in a Nottingham factory. He machines metal parts under a milky-white emission of oil and water. As his work is checked by a foreman, scores of other men can be seen behind him doing exactly the same thing.

Finney's character lives in a terraced house a bicycle ride away from the factory. His leisure time is conditioned by the demands of work: he lives for the weekend when he is released. His ill-fated attempt to break away is prompted by his job and the circumscribed domestic life it delivers him.

Thirty years on, machining of parts is largely carried out by computer-controlled lathes, and work outside factories is changing even more.

The Finney character and his work contained a number of stereotypes of Britain in the early 1960s which are being increasingly undermined:

■ **Skill:** A lathe operator was a fairly typical worker in post-war Britain. But the skill demands of today's technology is forcing a sharper divide between blue- and white-collar

work. The old wedge of skilled manual workers is being pushed into higher-level technician work.

Forecasts by the University of Warwick show falling demand for only one section of workers up to 1995 - unskilled and semi-skilled operatives and labourers. The biggest leaps in demand are for professional and managerial employees - up some 1.3m jobs on the level of 1990.

■ **Sex:** Despite the history of women's participation in factory work during the two world wars, skilled jobs in the 1960s were overwhelmingly occupied by men. But the proportion of women workers in Britain has been rising steadily. By 2000, they are expected to form 44.4 per cent of the workforce.

In turn, this is undermining the convention of men at work being supported by women at home. Domestic demands are increasingly intruding on work as tasks such as caring for children can no longer be easily contracted-out to a sexual partner.

■ **Time:** Finney's character works a standard 40-hour week over five days, with a

two-day weekend. Even for engineering workers, this conventional pattern of working time is starting to break down: workers at Rover Group have this year agreed to 24-hour shift patterns in return for reduced hours.

Part-time work has risen enormously in Britain over the past decade. Warwick has forecast that part-time jobs will increase by 1.37m up to 1995, bringing 28 per cent of all employees into part-time employment. Experiments such as job sharing are also increasing.

■ **Industry:** The collapse of manufacturing industry in the recession of the early 1980s has been followed by a growth in jobs in the service sector. At the time of *Saturday Night and Sunday Morning*, less than half the number of jobs were in services; more than two thirds of workers are now employed there.

Even within manufacturing, the large factory has suffered as an employment centre. Employment within factories devoted to mass production has fallen sharply as standard repetitive tasks have been automated. More jobs are

devoted to innovation, and development of products.

■ **Workplace:** The separation of workplace and home was a phenomenon of the industrial revolution. The technology of mass production demanded that people were pulled into factories rather than carrying out work at home. But technology is now offering a return to the past.

The Henley Centre for Forecasting has suggested that 20 per cent of all days at work could be carried out at home by 1995, encouraged by the spread of computer-based work and office technology such as fax machines. The growth of white-collar work will raise the number of those who may work at home.

An upheaval in working patterns is also being encouraged by broad changes in the make-up of the workforce. In common with other industrialised countries, Britain will suffer until the turn of the century from the hangover of the baby boom and the ensuing fall in the birth rate.

The result is a fall in the number of young people entering work, and an ageing of the workforce. In the early 1990s,

the number of older workers dropped through enforced and voluntary redundancy, but the proportion is now rising again. Some 58 per cent of workers will be over 35 by 2000.

Together with the rising number of women working, this is likely to mean that more workers will have to combine domestic responsibilities with their careers. Not only will a greater proportion be bringing up children, but others will have to care for elderly relatives.

Charles Handy, a visiting professor at the London Business School, suggests that more workers will lead a "portfolio life" in which they will allocate a mixture of work and other responsibilities to different chunks of time. It will be accompanied by a rise in self-employment.

All this indicates that a typical job for a worker of the future is going to be less predictable than in the days of *Saturday Night and Sunday Morning*. The lifetime of unchanging commitment that so frustrated Albert Finney's character may not even be an option for many of us.

## MONEY TALK

### These are the cheques employers are writing

Look after yourself - but short-term avarice could hurt in the longer term, warns John Gapper

IF SALARY is what counts most, the message is clear enough: do not seek a job in public service.

Public service jobs, ranging from social work to management, pay new graduates peanuts when salaries are compared with those in law and finance.

Of course, after three or four years of surviving on a student grant supplemented by work in the vacations and a large bank overdraft, any annual salary may seem enormous.

But think twice before coldly seeking out the best-paid career above all other considerations. Forty years is a long time to spend regretting avarice in a career you cannot bear.

Most students seek work in a particular field for many reasons other than money. Those who do opt for highly paid but dull work can become losers when they drop out after a year or two.

Seeking the highest-paid opening position may not even make much sense financially, given the narrow spread of starting salaries for graduates. Many employers tend to follow each other closely across sectors in their offers.

Thus the typical first degree graduate in 1990 - a person aged 21 with a second class

salary of £11,375. This is a respectable 10.1 per cent increase on the starting salary last year.

The range of salaries for beginners is far narrower than that across most companies at higher levels: the salary paid the top 10 per cent of graduate earners is £13,620, while those in the bottom 10 per cent still receive £10,000.

The increases in salaries have happened despite a slowdown in the demand for graduates. Last year's strenuous efforts by employers to attract recruits, seemingly at any cost, have been replaced by a more relaxed approach.

Companies belonging to the Association of Graduate Recruiters - which calculated the figures above - expect to have a total of 19,381 graduate vacancies in 1990 and anticipate filling 19,201 of them. This is a shortfall of only 3.4 per cent, which is the lowest for some time, and well below the 7.5 per cent figure of May 1989.

The lesson is that employers still prize graduates enough to pay well, but will remain selective.

At the top end of the salary range in forecasts by companies belonging to the AGR are sectors such as legal services, energy and water, and chemicals.

catering, accountancy and public services.

Legal services companies are offering a median starting salary of £15,625, while energy and water have increased salaries by 14.3 per cent as they move out of the public sector into private ownership.

Public services employers are still offering the lowest starting salaries, with a median of £10,800. The smallest increase in starting salary since 1989 is the 7 per cent registered by food, drink and tobacco employers.

However, a closer look at salary variations shows that industrial employers match each other relatively closely in salaries to new graduate recruits. In non-industrial sectors such as banking and the civil services, salaries vary much more.

Among industrial employers, the median salary is estimated at £11,500 this year, with those in the upper tenth of payers offering £13,000. The lowest tenth among industrial companies will pay about £10,500.

Among non-industrial employers the range of salaries is from £10,000 in the lower tenth to £10,000 in the lower tenth. This reflects the wider range of jobs in these sectors and the split between public

A salary survey this summer carried out by the Central Services Unit showed some of these disparities in the non-industrial sectors. Management and computer consultants were offering the best starting salary at £12,188.

This contrasted with average offers of £9,518 in the civil service, £8,216 in local government, £9,625 in insurance and £9,423 in retailing. The offers from industrial companies were more solidly bunched around the £10,000 mark.

The range of job offers on the CSU's Forward Vacancies bulletin showed the narrow range of salaries for different types of work as well as between sectors. All the listed jobs came with salaries between £9,000 and £11,000.

Those studying for different degrees had earnings potential ranging from £9,491 for some social science subjects to £10,928 for surveying. However, the range again fell entirely between £9,000 and £11,000.

In short, competition for talent - compounded by competition on the milk round - has forced employers to offer roughly similar salaries. When income tax and national insurance is deducted, the difference between £9,000 and £11,000 shrinks even further.

Salaries vary more widely

Ireland, jobs are offered at an average of £12,300; in East Anglia, £9,800.

Those seeking work in London can expect a sizeable weighting allowance in addition to basic salaries. Employers in the upper tenth are paying inner London allowances of £3,200, while £2,247 is the average. In outer London, the average allowance falls to £1,900, although the upper tenth of employers was paying £1,950. Separately, an average allowance of £760 can be expected in large cities and regions around them.

The difference between public and private sector employers has also shrunk because of the difficulties local authorities and others have had over the past two years in attracting the right quality of graduates.

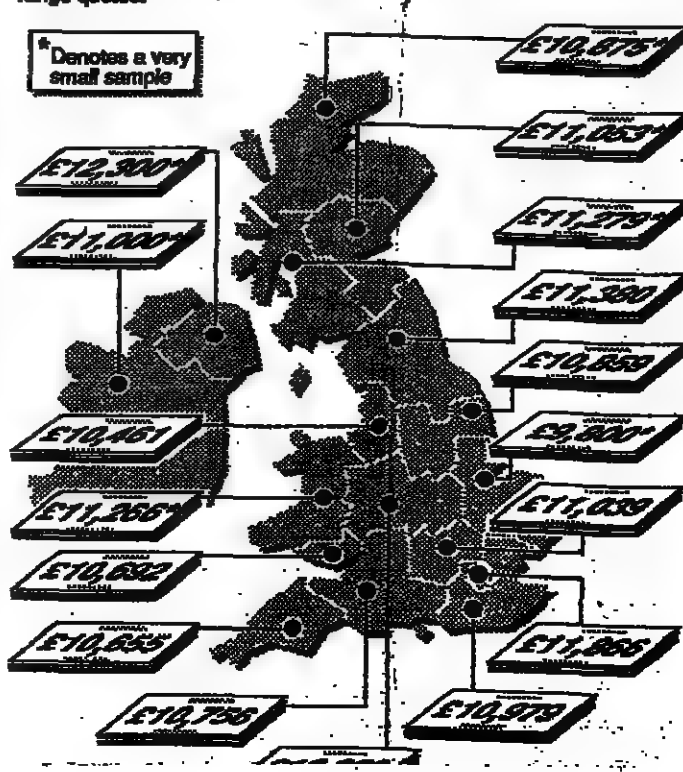
But consideration of starting salaries may not be as significant as consideration of salary progression as you move up in seniority.

So, tempting as it may be simply to apply to the top-paying employer, longer-term considerations such as job satisfaction are likely to be more important.

Information drawn from The Association of Graduate Recruiters' Graduate Salaries and Vacancies Summer Update 1990. CSU, December 1989, Q1-1990.

## Salaries by location - Summer 1990

Bonus, commission and London weighting have been excluded as far as possible and the salaries are always taken at the lowest point of any range quoted.





# The strategy

VIEW FROM THE BRIDGE

## The captains of industry tell all

Charles Leadbeater finds out chief executives' view of graduates

UNDERGRADUATES setting out for a career in business, confident that their degree will be the foundation on which they can build, might ponder the case of British Airways. Lord King, chairman of British Airways, and Sir Colin Marshall, its chief executive, have been credited with turning the company from an ailing nationalised industry into one of the most successful airlines in the world. Yet neither went to university.

However, non-graduates such as Sir Colin and Lord King are to a greater extent exceptions in business today. Management is increasingly becoming a career for graduates.

In the boardrooms of the best British companies it has become trendy for industrialists to argue that the development of their staff will be the key to their future success.

However, successive reports (by the National Institute for Economic and Social Research and the Government's Training Agency) have found that for too many companies this interest is no more than lip service.

The lack of input at this level is more worrying if one takes into account the fact that the quality and quantity of the supply of graduates is becoming a significant concern. It may not seem obvious to the

average undergraduate, but the captains of British industry are increasingly worried about British graduates.

It is not simply that senior executives believe that universities and polytechnics produce too few appropriately qualified graduates. Many believe the problems begin at school, with too little emphasis on subjects such as mathematics, physics and chemistry, which should be the breeding ground for future engineers.

Some of the most progressive companies also recognise much of the responsibility for the problem lies with their own inability to offer the sorts of careers which will attract people. Leading companies are establishing links with universities, polytechnics, sixth form colleges and schools to ensure they stand the best possible chance of recruiting the sorts of graduates they want.

For companies pursuing global investment strategies, in industries where products are becoming increasingly sophisticated and complex, the quality of a country's education and training system is a vital ingredient in competitiveness.

The ability to offer a well-trained workforce is crucial to attract investment from international companies.

Indeed some British companies go so far as to suggest that the higher quality and

greater quantity of engineers in continental Europe make it easier to run factories abroad.

Mr Barrie Stephens, chairman of Siebe, which has emerged as one of the fastest-growing UK engineering groups in the last decade, says: "It is easier to run factories in Italy and Germany because there are many more qualified engineers around to run the plants."

Mr Paul Tosch, chairman and managing director of Vauxhall Motors, the resurgent British subsidiary of General Motors, stresses the importance of developing young managers.

"Increasing sophistication and technological advancement in products, manufacturing processes and administration in the motor industry, together with the toughest competitive environment in our history, make future management of the very highest calibre a key success factor for companies aiming to be among the leaders," he says.

Vauxhall will recruit about 50 graduates this year, more than double its intake in 1988. "We expect high standards and, in return, recognise the need to offer attractive and progressive career opportunities."

With that, Vauxhall's approach to training has changed. Mr Tosch explains:



Lord King, chairman of BA: a rare non-graduate at the top

"We are taking a more flexible approach to the deployment of graduates within the company so that the general abilities of the candidate may well outweigh consideration of the specific type of degree."

"Our finance department has recruited three bio-chemists,

amount of business awareness regardless of the degree course they have followed.

"We look for self-motivated, energetic individuals who understand the value of good teamwork and have good interpersonal skills as well as academic qualifications."

Mr David Lees, chairman of GKN, the leading British automotive group, concurs: "Management development is going to be one of the most important tasks facing us in the 1990s. Establishing a cadre of ambitious, professional international managers will hinge on recruiting and training the right sorts of graduates."

Sir Denys Henderson, chairman of Imperial Chemicals Industries, Britain's largest manufacturing company, says: "We have been meeting our needs for graduate recruitment. However, we are concerned about the future supply of scientists and engineers, particularly given the shortage of science and mathematics teachers in schools."

Although ICI says it is never short of applicants, there are concerns about the quality of some chemistry graduates. Britain's chemistry-based industries, such as chemicals and pharmaceuticals, are strong relative to its physics-based industries such as engineering. In those industries the concerns are perhaps even more intense.

Mr Tim Page, director of personnel at Dowty, the aerospace engineering group, says the quality of graduate recruits deeply concerns its senior executives, such as Mr Tony Thatcher, its chief executive.

Mr Page says: "Senior executive concern about the quality of graduate recruits has been very strong, in terms both of quality and quantity."

Mr Page says Dowty is rela-

tively insulated because it runs an extensive sponsorship programme, with graduate recruitment in effect starting with sixth-formers.

These sponsored students account for most of the company's graduate recruits. The scheme costs about £1m a year. Investment on that scale is only possible with commitment from the most senior executives, who oversee the scheme.

Dowty, in common with other groups, has had to develop a more structured approach to recruitment in the past five years. Mr Page says: "Ensuring the right supply into the industry requires more than a series of action rights from the primary school to encourage teachers not to neglect mechanical skills through to secondary school and sixth-form colleges."

Talking to senior executives one gains the impression that able graduates should be in a attractive position for the next two years. Because the City and professions such as accountancy and the law attract a significant proportion of science and engineering graduates, industry has had to respond by making itself more attractive.

Dr Richard Sykes, the chairman of Glaxo Group Research, the research and developer arm of Glaxo, Britain's largest pharmaceutical company, takes a particularly keen interest in trends affecting the supply of science graduates.

Dr Sykes says: "There is no doubt that the lower number of studying science, coupled with the continued demand for non-traditional employers such as the larger firms of accountants, has meant that great efforts have been required to meet our needs. Demand if the best can only intensify."

THE Student Industrial Society recently concluded that company recruitment brochures - with a few notable exceptions - were "quite appalling".

Another report by a marketing company suggested that two thirds of students believed most recruitment literature was dishonest, and that three quarters of them thought the brochures were identical.

"Every brochure is the same... happy scenes that mean bigger all," commented one student from Reading University.

Some companies are quite unapologetic. Brochures are designed to entice the student's interest, they say, and to encourage applications.

Besides, students' application forms contain no less exaggeration and evasion, they say. It is at the interview stage that mutual misconceptions can be hammered out.

Company literature should be treated with a pinch of salt. But despite the smiling faces and gushing adjectives, the brochures still say a lot about companies, not least about how they view themselves.

For example, Gouldens, a City law firm, might be expected to project an image of sobriety commensurate with its standing in the respectable and somewhat stuffy world of law. Not a bit of it. The firm clearly believes it is staffed by wild and wacky people and last year it devoted considerable space in its designer brochure to tales of derring-do in the wine bars of BCL. It even provided a map to all the local watering-holes.

This is in stark contrast to most other law firm's brochures, which are generally as dry as dust and contain not a single illustration of anything resembling a pub.

Students should question firms which try to project a markedly different image from

### COMPANY HYPE

## Employment process is two-way traffic

John Thornhill takes a critical look at recruitment brochures

others in their sector, to discover whether the image bears any relation to reality or whether it is simply a marketing device.

The unwary could also be trapped into accepting uncritically a company's description of the jobs it offers.

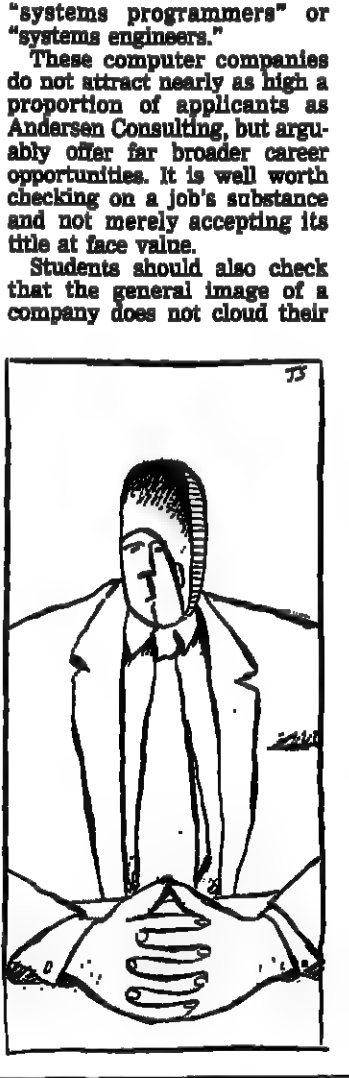
For example, Andersen Consulting, the consulting arm of the accounting firm, is deluged with applications every year, partly, no doubt, because it styles itself as a glamorous consultancy firm with high pay and travel opportunities.

But the jobs that entrants are likely to do at Andersen bear little relation to those in the strategic management consultancy "boutiques", such as McKinsey and Boston Consulting Group. Rather, they compare with jobs at the big computer companies which give their graduate employees far less exciting job titles, like

"systems programmers" or "systems engineers."

These computer companies do not attract nearly as high a proportion of applicants as Andersen Consulting, but arguably offer far broader career opportunities. It is well worth checking on a job's substance and not merely accepting its title at face value.

Students should also check that the general image of a company does not cloud their



assessment of it as a potential employer.

Marks and Spencer, for instance, has had a consistently high corporate image among students, and recently came top of a poll of best companies in *Business* magazine. But jobs at Marks and Spencer, like its knickers, are not to everyone's taste.

Irene Roels, who joined as a graduate trainee, left after three years, frustrated with the company's restrictive culture. Although she admired M&S's professionalism, she wanted the opportunity to contribute more creatively.

"The training is very much by rote, and you cannot bend the rules. The senior people must be given due respect and cannot be criticised. The company holds your hand for too long," she says.

You may or not feel this way. But at the very least you should closely question those who work for M&S and make sure you are informed of what it is like to be an employee.

Perhaps the most essential fact to remember about the recruitment process is that it is a two-way street. It is as much about you choosing an employer as it is about an employer choosing you. You should therefore treat a company's brochure in much the same way as the company treats your CV.

Scrutinise the facts, investigate unexplained areas, question the sweeping assertions and challenge any unsubstantiated claims.

"What do you mean when you say that your broadcasting company treats every employee with the utmost respect, Mr Melly?"

"What evidence is there that your company is committed to the community, Mr B'stard?"

Even if you don't get the job you will certainly ensure a lively interview.

### LATE OPTIONS

## Post-graduate alternatives

Paul Abrahams counts the cost of staying or

AS YOU watch your contemporaries fight for opportunities in accountancy and places at law colleges in an increasingly competitive environment, the option of ducking the whole issue and doing a master's degree or a doctorate may appear rather attractive.

Not least, both options offer the opportunity to study an area of your choice in considerable depth. And, in the case of a doctorate, there is the advantage of there being no exams, although there is something of a mega-essay crisis at the end of it.

Both doctorates and MAs have the added bonus of allowing you to stay at college, organise your own time - without the need to feel guilty about missing lectures - and, if the research merits it, spend some time abroad. And finally, by doing post-graduate work, you can put off the evil day of making a decision about what you're going to do for the rest of your life.

There is a downside to post-graduate life, however. Doing research, particularly in the humanities, can be a lonely business. Motivation can be something of a problem when the deadline for the dissertation is more than two years away.

You will also need an understanding bank-manager. Funding is far from easy to obtain. For those with means wanting to do an MA, it is possible to pay for oneself. But for a doctorate, the sum of university fees and subsistence over three years is prohibitive.

Poverty is an ever-present concern for a post-graduate. Even if you are lucky enough to get funding, the subsistence allowance is hardly generous. What can be particularly galling is, see contemporaries earning well while you are struggling on a few thousand pounds a year.

The poverty problem is exacerbated by the difficulty of completing the thesis on time. On 56 per cent of those starting humanity PhDs in most years actually finish within four years. Whatever subject you're studying, the chances are you will spend at least a year without funding.

It is hardly surprising, then, that many give up their research after a couple of years. Recent figures show that 15 per cent of those with Economic and Social Research Council grants for post-graduate study withdrew within four years of starting.

A further disincentive is the chances of your doctorate being a passport to the academic life in higher education institutions are very limited.

For example, the History Universities Defence Group estimates that only 1.2 per cent of history lecturers in higher education are aged 30 and under, and that only 19 per cent are under 40. It is likely the same could be said for most subjects.

Since the chances of using post-graduate degree to obtain academic post are limited, you will eventually be forced on the graduate recruitment market.

Continued on next page

## Practical people leading the field practically everywhere!



**PAULS**

A diverse and widespread Company, Pauls owes its cohesion and dynamism to the theme of 'food' which is central to all its businesses. More than 2000 people are employed in upwards of forty locations.

Pauls Agriculture is one of the UK's leading compound animal feed manufacturers, producing nearly 1 million tonnes p.a. from its nine mills.

Pauls Malt is Europe's leading maltster and one of the largest in the world with a production capacity of over 400,000 tonnes p.a.

Pauls Foods manufacture a variety of food products including breakfast cereals, packet soups, sauce mixes, savoury flavours and flour.

Edward Baker is one of the largest producers of high quality, dry and semi moist complete pet foods.

Opportunities exist for people who are qualified in a wide range of disciplines. We do not believe it is essential to have one particular qualification; we look at the person not just the piece of paper.

**HARCROS**

Timber & Building Supplies

This Division operates around 240 outlets throughout the UK offering a comprehensive stock range of over 15,000 timber and building products. Our customers are builders of all sizes, from the smallest to the largest multi-national contractor. Each outlet is controlled by professional management, supported by committed employees, trained in the product knowledge and customer care expected by customers used to unequalled service.

Another aspect of our activities is the bulk import and distribution of timber and wood products. The company owns two of the most sophisticated sawmilling and machining operations in the country, at Barking and Widnes.

The Division also operates in the Irish Republic, Australia and the United States.

Building and Construction is one of the largest sectors of the country's economy. It follows therefore that any company supplying its requirements can offer excellent prospects in terms of employment.

**HARCROS**

CHEMICAL GROUP

Harcros Chemicals are specialists in the manufacture of inorganic and organic chemicals. In inorganics we are the world leaders in the production of chrome chemicals with plants in the UK and USA.

Our organic activities cover a range of specialty chemicals such as polymer additives, radiation curing chemicals, surfactants and polyurethanes. Manufacturing is carried out in the UK, Europe, Australia and the USA, with marketing and sales activities spanning the globe.

Iron oxide production is another of our major activities. Here again, we manufacture on both sides of the Atlantic.

We are interested in graduate Chemical Engineers and Chemists, to support our many production processes as well as for research and development, together with Mechanical Engineers for the maintenance of a variety of process control plant and equipment.

**LINATEX**

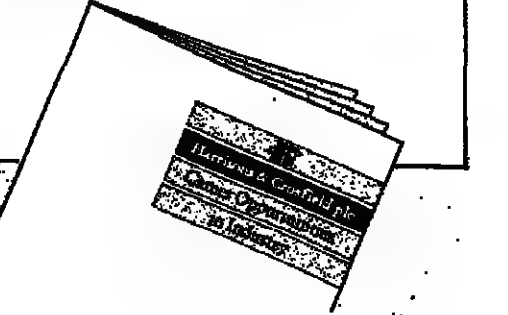
This Division, with operations in North and South America, Europe and Asia-Pacific, provides a range of products and services particularly for mining and environmental technology-related industries. The core of the company is the manufacture of equipment utilising Linatex wear-resistant rubber. This is produced in our own factory in Malaysia.

Emphasis is placed on good product design and in-depth knowledge of markets and applications. A unique aspect of the business is the combination of rubber technology with mechanical engineering.

An ability to understand customers' problems and to provide solutions will be important. Good communication skills are a prerequisite.

To obtain information on career opportunities with any of these Companies, please apply in writing to: John Barnard, Group Human Resources Manager, Harrison & Crosfield plc, 20, St. Dunstan's Hill, London, EC3R 5LQ.

**Harrisons & Crosfield plc**





Continued from previous page  
 don't think, however, that a post-graduate degree will necessarily be an added bonus on our CV.

In part, your employment prospects depend upon the subject of the thesis. Scientists, in general, fare far better than humanities students. A post-graduate candidate can, on average, expect an offer about 4,000 more than a candidate with a good second-class honours degree, if the job is outside London.

But, even for scientists, there are variations. Although, demand for electronics and communications specialists is the times the supply, there are five times too many physicists with qualifications related to particle and atomic physics.

For those with further degrees in the humanities, the situation is far more difficult. Admittedly, MAs can be used as stepping stones (an MA in development studies is, for example, one of the ways into charitable work) and may improve your earning power. But many employers are wary of graduates with a PhD unless the research has direct relevance to their sector.

Indeed, a PhD can be a passport to discrimination. A few years ago, a personnel manager for one of the large solicitors firms in the City has admitted that on seeing the letters PhD she gave a cry of "freak" and placed the form in a reject tray.

Although the attitudes of graduate recruiters have improved since then, some recruiters remain suspicious. And there is a danger that as the UK job market tightens and the economy heads into recession so PhDs will become increasingly marginal.

Nevertheless, there are ways to post-graduate students to sell themselves - if they are willing to compete with undergraduates and not expect special treatment.

If you can compete - and compete on time - you can cut out that you are:

Part of the cream of the British university system. Those with PhDs are ready-screened: competition for research places is intense and nearly all those who win British Academy or research Council grants have first or Upper Second.

More than a first-class brain. Completing a thesis you have demonstrated that you can think critically, weighing up and evaluating complex evidence from varied sources. Working independently, you have finished a thesis and shown an ability to persevere. Likely, with a bit of luck, to be literate.

Creative, with new ideas and approaches. You offer an ideal combination of the creative and the applied.

In the end, you will need to persuade employers that you are no different from other graduates, except for three extra letters - and a little extra besides.

For sources of funding see Postgraduate study and research published by the Association of Graduate Careers Advisory Services available at the careers service.

## APPLICATION FORMS

# Vital written evidence

John Thornhill on the art of answering questionnaires

UGH! Application forms! Don't you just hate them? Whatever your intentions, you will almost inevitably end up completing a form in the middle of an essay crisis while listening to the unearthly sounds of fellow students playing rugby with a beer can in the corridor outside.

At such times, it is perhaps not surprising that your synapses fail to spark and you end up filling the wretched thing in the hilt.

But such a prospect delights Mr Brian Hyde, the graduate recruitment manager for IBM, since he says he does not want applications from people who are not prepared to spend time answering his questionnaire.

"We are trying to deter the faint-hearted. Every torn-up application form is a success as far as I am concerned," he says, somewhat unexpectedly.

Mr Hyde believes: if you can't spend time on us then why should we spend time on you? This encapsulates the first essential truth of applications: be certain you really want to apply for the job and be sure you do so well. Every company receives thousands of application forms that have no chance of success.

These are a waste of time for the students who fill them out as much as for the personnel managers who read them. Students apply for jobs that do not exist, or specify impossible locations. Some fail to answer crucial questions, forget to write down their address so companies are unable to respond, or even send in other employers' application forms. Such tactics are hardly likely to endear one to the employer.

SOME stories are legendary. There was the female student who sent a saucy postcard to IBM asking for information on careers. The card featured a woman taking a driving test, while the driving instructor proclaimed: "That is not the gear stick, Miss Brown!"

Mr Brian Hyde of IBM said the student was mailed a job application, and its return was the most eagerly awaited in the history of the company. This technique, while attention-grabbing, worked for that student. However, students are generally advised to take a more conventional approach.

Ms Julie Walsh of Kingston Smith, the chartered accountants, recalled a graduate listing among his awards second prize in a fancy dress competition. "If that's all you can say about yourself, it's best not to say anything at all," she says.

Graduate recruiters say that the real bowlers on applicants' CVs usually turn up in the section on "Interests". Students are tempted to write too many to make themselves look interesting or instead, are honest, and show themselves to be either frivolous or boring.

Before even touching the application form you should check that you are qualified to apply for the job. If the company specifies that they are only looking for civil engineers, then it is obviously a waste of time for language students to apply.

You should also make sure that you would be happy to consider the job if offered. If you do not want to work in the grimy of London, it is no use applying for companies which have vacancies only in the capital.

Although no application form, no matter how well completed, can guarantee an interview, there are several steps you can take which will increase your chances. These owe far more to common sense than to earth-shattering philosophical wisdom.

First read the application over carefully before writing anything. Some applications specify that responses be written with a black ballpoint pen or some other type of ink. If that's what they want, do it. Also, you may get to page two of the application and find that you were only supposed to begin answering questions at page four.

Answer all the questions. It is very easy to skip "tricky" questions thinking you'll come back to them later or simply fail to state whether you have a driving licence - a very important consideration for many sales jobs.

Write your answers on a piece of scrap paper first. That way, if you later wish to change what you have written, you will not have to scribble over a previous answer.

Keep your application form clean. Coffee stains and mayonnaise marks suggest that the application was filled in hastily over a lunch break. Too many recruiters complain of application forms that are crumpled and dirty, or have been completed carelessly.

Write legibly, or even type the form if you are sufficiently dexterous. An unreadable form will go unread.

Write proper sentences, not notes or lists. Explain your interests in a few simple sentences but do not feel you have to fill every square millimetre of blank paper.

When asked to describe your interests, omit those which make you look silly or frivolous. Also, don't write too many of them. Employers know human beings can only be preoccupied with a limited number of passions at one time.

Try out some of your proposed answers on your friends. What sounds great to you may sound very corny to someone else. It always helps to have a second opinion.

Get someone to read through your form and check for spelling errors and omissions.

Apply before the closing date, although, in truth, many companies are increasingly flexible about deadlines.

Invest in a bottle of Tipp-Ex. Filling in application forms does consume much time at a stage in your educational career when you are under great pressure. But in a strange way that makes it all the more important to fill in forms as well as you can to minimise the amount of

wasted effort. A few well-completed and carefully-directed applications are far more likely to hit the target than a random shotgun blast of hastily written and ill-conceived approaches.

Before dispatching your application, photocopy the form so that you know what answers you have given to specific questions - always useful when you arrive at the interview.

And, finally, keep a record of which employers you have applied to and when so you can chase them if they fail to respond.

Interests and activities

- Preserving truth, justice, and the American way
- At school I was captain of the Athletics Club. I am faster than a speeding bullet, more powerful than a locomotive, and able to leap tall buildings in a single bound.
- I am secretive, and able to leap tall buildings in a single bound.
- I enjoy travel and was the youngest person ever to learn to fly.
- I love walking with my dog, Krypto.

Clean driving licence. Good typing skills (1,200wpm). Passable French. Basic Spanish. X-ray vision

References

Professor Thaddeus V. Maxwell, Science department, Metropolis University, application to Mr Perry White, editor of the Daily Planet.

Mr Jerry St. DC Comm. Unit.



Name: Clark Kent  
 Date of birth: 1 April 1938  
 Home address: 123 Canyon St., Smallville, WI.  
 Term-time address: 5 Dormitory, Metropolis University  
 Education: 1956-59  
 1951-56  
 Work experience: 1958-59  
 1956-59  
 1951-56  
 Interests and activities: I perform voluntary work for GreatScott Enterprises, a charitable organisation. I think it is important to preserve the environment and help save the planet. I worked as a cub reporter on the Smallville Daily Planet during my college holidays. Every summer I worked on Ma and Pa Kent's farm.

Skills and accomplishments: I am faster than a speeding bullet, more powerful than a locomotive, and able to leap tall buildings in a single bound. I am secretive, and able to leap tall buildings in a single bound. I enjoy travel and was the youngest person ever to learn to fly. I love walking with my dog, Krypto.

References: Professor Thaddeus V. Maxwell, Science department, Metropolis University, application to Mr Perry White, editor of the Daily Planet.

Mr Jerry St. DC Comm. Unit.

## And what do you do after hours?

Mr Paul Mullane of the Home Office recalls the applicant who among his interests listed cricket, noting that he was the captain of the team. But he then went on to add football, tennis, rugby, squash, snooker, darts, fishing. "By the end of it, I was brain dead," said Mr Mullane.

Employers are only looking to see whether the candidate has a broad spread of interests and is able to relate to the real world. They do not expect a catalogue of ripping yarns to rival Richard Branson's extracurricular activities.

Nevertheless every year they receive their fair dose of weird and wonderful responses. Commercial Union must win the prize for the weirdest contribution. "Walking in the rain and seeing whether I can get home in time for tea," was one candidate's best shot.

The Post Office scores highly on the wonderful front. Duck

breeding and non-competitive log-sawing were two of the more exotic hobbies their candidates could boast.

Mr David Thompson, graduate recruitment manager at the Post Office, says: "Most students are interested in sex, food and television and you get a list of activities in which they obviously have not been interested for donkey's years. All we are looking for is well-rounded people with longer-term potential."

Too little information can be just as perplexing as the too obscure. Mr Hyde gets particularly upset by unadorned lists of hobbies. One application form for IBM contained a short list of interests written in a small scrawled hand squashed into the upper left-hand corner. Chess club, rifle club, college magazine, snooker club, music, the list ran.

"What does this mean? What does the applicant actually

do?" Mr Hyde inquires. "I often read these forms late at night when my imagination runs riot. Perhaps the student tears up the college magazine into small pieces, makes papier mâché out of them, sticks them on a snooker table and shoots at them with a 32 rifle while listening to music. Who knows?"

Honesty is a policy that can prove successful. If there are any discrepancies in your CV, for example, it is best to explain them.

One woman who applied to the Post Office was keen to explain why her A-level results were so bad. She claimed she had been at a single-sex school for her O-levels but had then gone to a mixed school and "discovered boys", who had had a bad influence on her academic performance. Her honesty was rewarded with a job.

Mr Brian Hyde lectures at a dozen universities and colleges on the subject: "The application game and how to lose it." Keep your eyes open for it at your careers office. It is well worth attending.

John Thornhill

## Be honest and concise in your CV

WHEN it comes to writing a CV, less is more.

"Honest and concise" is how Paul Mullane, recruitment officer at the Home Office, says he likes to receive them. Personnel managers agree that no young graduates could possibly have relevant experience taking up more than two pages. Any more is seen as padding and is a turn-off. In fact, a one-page summary is probably best.

Also, do not send photocopies of your diploma, credentials or publications. They simply create clutter and are bound to be lost. If the company regards you as a serious candidate, you will be asked to supply these later on.

While CVs look better if they are typed, it is not necessary that they be, as long as they are legible. In fact, Mr Harry Lister, head of recruitment at Hongkong and Shanghai Banking Corporation, says he immediately discards any fancy covers or folders that enclose a CV and replaces it with a staple. Such devices do not help you

stand out from the crowd, he says. It is what is on the CV that counts.

Mr Lister urges students to make sure they enclose their term-time address, telephone number and their home details. Sometimes a candidate is overlooked simply because he or she cannot be located.

The only information you need include in a CV is academic experience, including A-levels, and possibly O-levels. Also, include any relevant employment or experience as a voluntary worker likely to impress a personnel manager. A turn on a Tesco cash register may be omitted, unless you were promoted to a managerial post.

Scholarships and awards should be mentioned, although personnel managers say this is often where candidates make themselves look foolish. "One girl included her 25-yard swimming medal," recalls Ms Julie Walsh, partner at the chartered accountants firm, Kingston Smith. Only awards which attest to academic, leadership

or entrepreneurial skills are worth mentioning. Ms Walsh believes. Skill at sport may be included if you were a team captain. Also, any student activities at university are worth mentioning.

Every CV should be accompanied by a covering letter, explaining which job you are seeking and why. Again, keep it short and simple. You may wish to write a few words explaining how you heard about the company. Ms Walsh says she is always impressed by an applicant who has done some research.

If there is some part of your application that you wish to explain, keep it short and simple. For instance, you may have had poor A-level grades due to circumstances beyond your control. Ms Walsh says she is sympathetic to those who may have been ill or whose parents were having marital troubles. "But don't put it across as a sob story. Be matter of fact about it."

Norma Cohen

## THE GRADUATE JOB FAIRS

### Scotland

Central Hotel, Glasgow

23rd October, 1990  
 2.00 - 8.00 pm

24th October, 1990  
 10.00 am - 8.00 pm

### London

The Barbican

5th December, 1990

The Graduate Job Fairs, organised by AGCAS and CSU are specifically designed to put recent graduates and graduate job changers in touch with major UK employers. Full details of visiting employers and their vacancies are available from Careers Services the week before the Fair.

## FALSE PRETENCES

# It is risky to be economical with the truth

If you're wondering whether you can get away with a lie, Norma Cohen advises 'Think twice'

NOW let's have a few honest words about lying. The official line from any personnel manager, corporate official or graduate recruiter is going to be "Don't do it". Although their advice is self-serving, it is probably sound. The consensus is that anyone caught lying on an application or in a CV will immediately be eliminated from consideration and is unlikely to be considered for a job at that company again. Furthermore, if your lie is believed, but uncovered later, you could well be dismissed on the spot.

On the other hand, graduate recruiters admit that there are a wide variety of claims from applicants that are simply taken at face value. For instance, says Mr Henry Lister, head of graduate recruitment at Hongkong and Shanghai Banking Corp, if you claimed to be student body vice-president in your second year at university, "we simply would take that on trust".

Whether or not to lie is a moral decision that only you can make. And, of course, an uncomfortable secret could haunt you long after you have started work. But if you are considering stretching the truth, do take into account your odds of getting caught.

First, most graduate recruiters say they do ask eventually to see your actual academic credentials, stretching all the way back to secondary school. One story circulating at present concerns a recent graduate trainee, hired at a leading accountancy firm. She had been hired, among other things, on the basis of spectacular



there several months, the firm discovered that she had in fact failed all her O-levels first time around and had achieved the excellent grades on the second try. She was fired on the spot. But what if the company had never checked? How would they have ever known? Privately, what you are probably asking yourself is how honest you must be and whether honest

kinds of lies - lies of commission and lies of omission. What you don't tell them about yourself may be as revealing - or as damaging - as what you do say. If your hobby is football hooliganism, for instance, it is probably best not to say so on your application. Even if your weekend interests are simply frivolous - such as going to discos or to the pub - there is

may not even wish to disclose to your employer that you are an active member of the Green Party or a member of CND. Your politics are nobody's business and unless your prospective employer belongs to the Economics League, they are unlikely ever to know.

There are some matters of personal delicacy that you may also not wish to tell a prospec-

tancy firm recalled a trainee who claimed to be single with no dependents. He performed well, until his accountancy exams came up. After failing twice, the firm told him he would have to leave. At that point, he confessed he had been involved in a bitter custody battle with the mother of his illegitimate daughter and had been unable to conceal

should have told them about it from the start. But the recruiter concedes that had they known of the illegitimate child, they might not have hired him in the first place.

However, Mr Lister also warns against trying to make yourself sound too interesting and lying in the process. One recent applicant included "parachute jumping" among her interests. It turned out that she had undertaken a single jump for a charity five years previously and had not seen a parachute since. Needless to say, the bank passed her over.

So, while you are not likely to be asked to document your private life, personnel managers may subject you to close questioning about it. If you're lying, they will know. Mr Paul Mullane, of the Home Office, recalls an applicant who claimed to have an interest in Babylonian archaeology. "That seemed too good to miss," he said. The interviewer studied the subject in preparation for meeting her, only to find out she knew nothing about it. Needless to say, she found employment elsewhere.

One recent applicant to Reuters, the international wire service, claimed to be fluent in Arabic, knowing that the company is interested in foreign language speakers and calculating that no one would be able to quit him. Unfortunately, the Middle East bureau chief, an Arab, was in the office that day, dashing the applicant's hopes.

Meanwhile, countless other people, great and small, will tell you how they lied to get their job. Ultimately, the decision about whether to lie is

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# The interview

## DRESSING UP

# Time to hang up your jeans

... but the alternatives need not be dull, says Lucia van der Post

THE INTERVIEW is looming. It's the job of your dreams - or maybe it isn't but you need it badly - and you are well aware that a lot is riding on the outcome. You've prepared yourself as well as you can: studied the company, its ethos, its needs and what the job entails, but then you are faced with the problem of WHAT TO WEAR.

It's quite a jolt in the days when a few pairs of jeans and T-shirts are all you need, to realise that you face a lifetime of "appropriate" dressing. The facts of the matter are that how you look will affect the way you are perceived. It's not enough to be able to do the job; you have to look as though you can do the job and that means scuffed shoes, ill-cut hair and crumpled suits will have to go.

If all that sounds a bit depressing, take heart from the fact that simply because you have to be dressed appropri-

ately, it does not mean you have to be dressed boringly. Today there are more stores than ever eager and willing to provide a look that is suitable, fun and adaptable at prices that are exceptionally good.

The basis of the working girl's wardrobe will probably be a jacket. This could either be short and cropped or long and curvy, but try not to choose anything that looks too bossy or reeks of executive bustle. The jacket should work with trousers, the newer ski-style preferably, as well as with culottes, or a long or short skirt.

In my opinion, soft suits (as opposed to tailored versions) are the most flattering, and possibly the most interesting way to put one together is to buy a jacket and skirt that work both separately and together. For instance, in our picture Kate is wearing a check tweed Chanel-style

jacket which comes with a matching tweed skirt but we preferred to team it with a black riding skirt, which looked younger, fresher and less severe. The suit itself comes from C&A and costs £89.99.

The clever way for those with limited finances to stretch their wardrobe is to mix and match, and these days the shops and chain-stores that specialise in the less expensive, younger end of the market all have collections geared for this.

For instance, at Debenhams we chose a light green skirt for Kim and with it she could have worn either a poloneck sweater, a silky T-shirt or a "body" and topped that with a three-quarter length, swing jacket (very "in") or a matching green short, slightly curvy jacket, or a toning floral version - each would have looked good and

ish extras to add a bit of dash to any outfit.

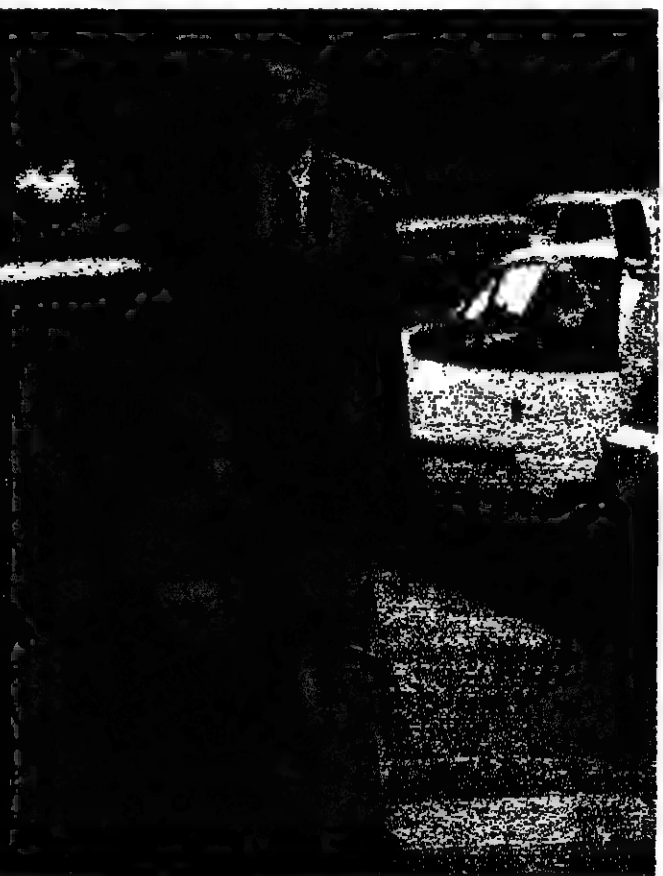
Winter coats do not seem high on anybody's agenda - which could save a lot of cash. Serapes are the thing which is handy, since a serape, unless it comes in cashmere, usually costs a great deal less than a winter coat. Cheapest serapes I know come in navy from Asda and cost a mere £24.99, but you will find them in every colour somewhere on the high street.

For chaps, suits are more or less *de rigueur* - unless you are entering one of the so-called "creative" professions, when you will find the unwritten strictures just as severe but a lot less clear.

The great bonus of the suit is that it simplifies dressing. As ever, the classic suit, particularly if it is an inexpensive fabric, looks best in navy, black or grey. Buy the best quality you can afford, and for those who are finding that getting kitted



AFTER: Happily transformed - Kate Lloyd and Martin Lindsay



AFTER: Paul Birkett as the very model of an interviewee



BEFORE: A student couple

BEFORE: Kim Donovan at play



AFTER: A city-slick Kim Donovan set to take on any interview panel

each completely changes the mood.

When it comes to choosing the jacket, try to buy as high a quality as you can afford - the better the quality, the longer it will go on looking good.

The old advice about shoes and handbags used to be to buy nothing but the best - these days when low pumps often look best with the new ski-style trousers and the longer skirt, even as up-market a shop as Harvey Nichols is selling excellent, plain flat black pumps for £12.95.

The clever chains such as River Island, Miss Selfridge and Debenhams are doing jaunty handbags for well under £20 a time which, in my opinion, are more suitable for the very young than staid and cheap copies of classics.

River Island often has excellent-looking shoes at very low prices - they may not last forever, but they are well-styled and far from the shiny plastic versions that were all the cheap shops once sold.

As ever, the classic Chanel-style suit is much in evidence, and the easiest way to upgrade a chain-store version is to sew on classier buttons. At C&A the purple, lilac and black version costs £69.99; at Debenhams there are some at £84.98.

Above all, though, do not look too staid. Nobody wants to employ the dullest girl on the block. A pair of witty earrings, or one big, bold brooch, can "lift" even a very plain jacket. Both Hennes and River Island are excellent places to hunt for inexpensive but styl-

out before you get the first pay packet is a trifle tough, the cheapest all-wool suits I could find were by George Davies at Asda. George Davies has always specialised in a lot of style for money, and his single and double-breasted pure wool grey-flannel suits at £89.99 take a lot of beating.

C&A has always been another stopping-off point for the fashionably-minded and hard-up - as with every chain-store there are some horrors around, but if you keep your taste buds on full alert it is possible to dress stylishly at a surprisingly low cost.

Once the pay packets start rolling in, you could look at the City Collection - priced at the higher end of the usual C&A range (for instance the suit worn by Martin, photographed, is £120), here are pure wool suits that could go anywhere.

Next and Principles are two other chains that have tried to give a classy, classic look at young pay-packet prices, so take them in on your trawl through the shops.

Debenhams is another haven for the hard-up snappy dresser - suits start at £89.99 (although pure wool ones start at £140), shirts (a poly-cotton mix) at £8.99 and leather shoes at £27.

Shoes and ties you should try not to stint on - classic leather shoes, after all, never go out of fashion and will last for ever, while cheap ties can make even an expensive suit look tatty.

Kim Donovan is 22 and is studying social science and administration at Goldsmith's College, London. She turned up looking brown and athletic with tiny shorts, a pink T-shirt, a denim jacket and an enviable mane of wild curls. She looked good in most things but we settled for a dark yellow suit in 70 per cent polyester, 30 per cent viscose with a straight skirt (£22.99) and jacket trimmed with a black velvet collar (£42.99). With it she wore a blue patterned shirt from the Anne Brooks Petite collection (£22.99). The black suede shoes were £19.99, and the patent handbag, £16.99. All from Debenhams. We combed her hair down with a firm Alice band, gave her a little make-up and she looked ready to take on any interview panel.

Paul Birkett is 21 and is studying design at the City of London Polytechnic. He expects to spend about £100 on a suit - he owns two already - and even though in the world he's aiming for, suits aren't *de rigueur*, he

would wear a suit for an interview. He liked the Prince of Wales check suit in a 60 per cent wool, 40 per cent polyester mixture at £110, and with it chose a cotton-rich (70 per cent cotton, 30 per cent polyester) blue striped shirt with button-down collar, £14.99. The blue paisley patterned tie is silk, £10.99, and the brogues are leather, £29.99. All from Debenhams. Suits start at £89.99, pure wool suits at £140.

Martin Lindsay is reading politics and government at City of London Polytechnic. He turned up in his student gear of jeans, sweatshirt and jacket and we searched for something from C&A's newly-launched City Collection. As he is splendidly built, being some six foot tall with a chest size of 44-46 and size 14 shoes, we thought the City Collection did well to meet his needs. We found a stylish green-grey double-breasted suit, 65 per cent wool, 35 per cent polyester by Angelo Lizio which fitted him beautifully - the jacket (£90) and the trousers (£40) can

be bought separately (a good idea is to buy two pairs of trousers for every jacket - a good way of extending the life of a suit). With it we put a 100 per cent cotton shirt by Westbury, £19.99 (they come in sizes 14- and a patterned silk tie for £12 C&A's new City Collection can be found from the city branches of C&A and in about 40 of its stores).

Kate Lloyd came in wearing very worn, patched jeans and baggy T-shirt but was transformed by a combination of a checked tweed Chanel-style jacket teamed with a black riding skirt. The jacket in purple, lilac and black is part of a suit in a wool/acrylic mix which sells at £89.99 and the black polyester riding skirt sells for £24.99. We accessorised her outfit with lilac felt hat and a black velvet band at £17.99, a tussie pink sweater at £24.99 and a maroon scarf at £9.99. Because Kate is tall (5ft 10 in) we suggested black flats (£25.99) worn with opaque black tights, £1.50. All from most branches of C&A.



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## ... AND THEN WE'LL HELP YOU GET AHEAD

WHEN it comes to dressing for your interview, it pays to turn up looking clean, smart and business-like, because that first impression is so important. Use your common sense - let your qualifications do the talking and not your clothes.

Graduate recruitment officers are well aware that students do not have a lot of money to spend on work clothes and they do not expect you to turn up in a suit from Saville Row or Chanel. But the old adage "Never brown in town" still holds true, especially in the financial services industry. So when you are going out to buy your interview suit, choose dark blue or grey. White socks are also frowned on, unless you are applying for a job with a Swiss company.

Women should be wary of wearing smart trousers because the interviewer may not be the young, trendy executive they met at the company's presentation on the milk round but could easily be an elderly, old-fashioned but very senior manager who might not approve. Too much make-up and bright nail varnish could also be off-putting. Remember, you are dressing for work, not a night on the town.

Hemlines are another sticky point. Most graduate recruitment officers interviewed for

## PITFALLS

# Suit yourself appropriately

Antonia Sharpe gives some timely tips

acceptable. But before you buy your interview suit it may be worth sitting down and crossing your legs in the shop to check that the skirt does not ride too far up your thighs.

A smart appearance reassures the company interviewing you that you really want to work for them. Mr David Clifford, the student recruitment partner at KPMG Peat Marwick McLintock, the accountants, says: "We offer 1,000 places a year and we might have 10,000 applicants. The candidate's appearance shows how badly they want the job. If they come looking scruffy I will think that they do not want this job."

The interviewer also has to consider the candidate will one day be an ambassador for the company when visiting clients. Mr Clifford points out that smartly-dressed employees form part of the professional image Peat Marwick wishes to

personal contact. First impressions are important because that is what clients see," he says.

Clean hair, hands and nails are important too, especially if you are seeking a career in the food industry. Mr Nick Green, graduate recruitment manager at Sainsbury, says the candidate's dress attire does show something about the individual. "Even if we are going to put them into a uniform when they come and work for us in the retail division, they must come dressed for business. Men should wear a suit and tie and women should be in business attire," he says. Long hair on men and dangly earrings on women would not go down well with store managers who also conduct interviews, he adds.

It might be wise for men to part company with their pony-tails and earrings, if they have them, when they go for inter-

views. "Pony-tails and earrings





Interviewers have rigorous selection techniques. Beware of too laid-back an attitude

#### OPTICAL ADVICE

## Face-to-face survival course

How to keep your cool: tips from Marian Edmunds

When you are going into an interview, ensure that all your nerves are fastened. The advice comes from the late recruitment manager, one of the big clearing houses. Usually candidates have been into the cloakroom to prepare the interview and, in a state of nervous anticipation, forgotten to make a last-minute check. Interviewers generally find it as kinder to the candidate if they do not alert them to such indiscretions so that they can maintain their composure. If candidates find themselves in that embarrassing position, it is best not to get flustered. Attend to the problem but avoid being distracted. The bank manager recalls a candidate whose earring had fallen to the floor during the interview. She continued as if nothing had happened winning the position for not being flustered and maintaining her concentration.

Similarly, Mr George Short, training editor at Reuter, recalls one applicant who dropped a briefcase full of papers on the floor during an interview. In spite of entreaties to leave it be, she insisted on crawling around the floor after them, exasperating the patience of the interviewers. She was not hired.

There is no denying attention to dress and accessories is important but the interviewers are looking far beyond that. Even a handshake may help an interviewer form an opinion. A mental note will be made of someone with a sweaty or wet handshake, a limp handshake, or a hand-wringing grasp. A tip is to always open the door with your left hand to avoid a clumsy handshake as you enter the room.

To be really successful at an interview candidates need to sell themselves. They should avoid monosyllabic replies and should ask intelligent questions. According to the bank recruitment manager, too many people ask banal questions.

The candidate who asks intelligent, thought-provoking questions can turn the interview in their favour. Mr Short says he is particularly impressed by candidates who appear to be listening carefully to the answers and who respond with a good follow-up question.

Try to anticipate the questions and inform yourself about the field in which you hope to work. For this reason, it is advisable to do some research on the company or on the industry. "The best interviews become conversations," says the bank manager.

Ms Liz Wallace, British Airways' graduate recruitment co-ordinator, suggests candidates compile a list of questions for the interview. This could trigger lively discussion and ensure that questions already answered in the company literature are avoided.

Ms Wallace advises candidates to bring copies of their application forms to the interview for reference. She urges candidates to make sure they can justify achievements listed in applications.

Interviewers prefer candidates talking about small but independent achievements - something where they displayed initiative and dedication. Applicants should be ready to discuss achievements, however trivial they may seem, openly and freely. "Many candidates underestimate themselves," says Ms Wallace.

Last year a woman was interviewed for the position of trainee account director at JWT, the advertising company. The applicant described how she searched London for a particular hat for a theatrical production in which she was involved. The search summoned her ingenuity, her dedication and three days of leg-work. She found the hat and she got the job.

Among her interviewers was Mr William Eccleshaire, JWT's head of account managers. He prefers to meet a candidate who displays imagination.

Candidates who want to get ahead in advertising, says Mr Eccleshaire, should not be dull. Even account directors do not have to wear pinstripe suits. Nothing puts off Mr Eccleshaire more quickly than candidates who have researched magazines such as Campaign and who reel off the cost of big

promotions in the industry over the past six months.

A candidate's demeanour and attitude are crucial. One of the most common mistakes is a laid-back approach. Candidates who appear laid-back may be considered too casual for the job.

Flippancy is another fault. Candidates should err on the side of formality, says the bank manager.

He suggests candidates should steer the interview round to their strengths. Many a candidate has talked themselves out of a job.

"Know yourself," he said, "particularly if you tend to witter on."

It might seem a basic tip but punctuality is also very important. A two-day assessment proved a waste of everybody's time when one candidate overslept and was late for one of his interviews.

#### KILLER QUESTIONS

## When interviewers go for the jugular

Keep cool, says Emma Tucker

A HASTY straw poll among young working acquaintances, revealed that the most loathed interview question was "Where do you see yourself in five years from now?"

"If I had been honest," said one person polled, "I would have told them I saw myself working for another company. Besides, how do you answer that question without sounding unbearably arrogant?"

But is it really such a dreadful thing to ask? Consider the fate of applicants to OC Sandler, a London-based management consultancy firm where Mr Adrian Darbishire, recruiting officer, asks what A-size paper you get if you stick together three sheets of A4.

Those calm enough to answer correctly - just under 45% (the "just under" is important) - are awarded five bonus points.

Mr Darbishire says he sticks to technical questions because, like most management consultants, he is not trained in interview techniques.

"I don't know of any management consultant who has been trained to interview people including me. So instead of asking character questions, I ask heavily factual ones," says Mr Darbishire.

His point is valid. While companies are increasingly revising the way interviews are carried out, many still rely on out-dated interview questions that fail to uncover what is pertinent to the job.

The result is that, apart from tricky technical questions, there are roughly three types of killer question that graduates should be on the look-out for.

The first type is the plain stupid question - when untrained interviewers seek to embarrass the applicant by asking questions like, "What would you do if I fell off my chair and started foaming at the mouth?"

"Stupid questions like that are sometimes asked by interviewers on ego trips who are abusing the power of the situation," says Dr Clive Fletcher, professor of psychology at Goldsmith's College, London, and author of *How to Face the Interview*.

"Those questions don't assess the ability of the candidate," he adds.

The same can be said of questions such as "excite me", "interest me" or "sell yourself", unless perhaps the candidate is applying for a job as a salesman.

But as Professor Fletcher says: "Stupid questions are killers but they are also killers for the organisation."

"Candidates are more willing to accept job offers from trained interviewers than from untrained interviewers," he says.

In these days of increased competition for graduates companies are soon likely to wake up to the notion of the interview as a PR device.

The second type of killer question is perhaps more subtle than others, and is also illegal.

"Are you thinking of having babies?" How does a woman - or man come to that - answer the question without jeopardising her chances of getting the job.

"Interviewers are supposed to ask the same questions of every candidate," says the Equal Opportunities Commission.

sion. "Asking that question is discriminatory and we have won cases over it."

A suggested answer is: "Not in the immediate future, but isn't that the answer you would expect to get anyway?" Otherwise a woman should have no qualms about trying through her teeth and taking the matter up if and when she gets the job.

Even if an employer does not ask the babies question it might probe into other areas of personal life. An applicant who got through the first round of interviews with Unilever, was asked at a later interview whether he had a girlfriend. It was hard to see the relevance of this question to the job and the candidate was left wondering whether he was suspected of being gay. It later turned out that the interviewer was seeking elements of stability in what he considered to be the turbulent lifestyle of the applicant.

There are also the embarrassing killers that one can



only pray not to be asked, such as the reference to the blot on the CV question: "Mr Brown, what did happen in 1982?" or "Ms Smith, why don't you say what class of degree you received?"

But the trickiest "killer" questions of all, and ones that you are more likely to come across, are the ordinary but lethal questions. And here we come back to the "where do you see yourself in five years from now?" types.

"More often than not it is the simple things that candidates fall down on," says Professor Fletcher.

There is no solution other than to prepare yourself. You will not be able to answer convincingly "What are your weak points?" or "Why do you want to work for us?" unless you have thought about the answer.

Meanwhile, back at OC Sandler, Mr Darbishire is busy inventing new killers for next year's applicants. "I'm thinking of asking, 'How many grammatical mistakes were there in your letter of application?' We received 60 CVs and only five were free of any obvious spelling or grammatical mistakes," he says.

So, before even contemplating those killer questions, perhaps you should look to your grammatical skills. Otherwise you might end up suffering the fate of a fellow FT journalist who was asked to spell cemetery when he applied to the *Morley Observer* and failed.

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#### PERSONALITY TESTS

## A question of competence

Mike Dixon discusses selection methods



make psychological assessments of people doing the jobs and of their bosses. The assessments are analysed for detailed traits which evidently make a difference between good performers and mediocre ones.

The analyses are used in drawing up a prototype questionnaire, which is then put through practical trials before the final form is decided. The reliability of the test has been found to be similar to that of IQ tests - about 12 per cent more accurate than could be explained by chance alone.

An oddity is that sometimes, although a trait thrown up by the analysis is clearly linked statistically with success in a job, the reason why it should be so is an enigma. For example, studies of pub landlords have shown that the good ones tend to share a particular sort of honesty.

Suppose someone telephones the pub, says nothing for a while,

who, although in the bar, signals that he does not wish the caller to know it. The good landlord will be apt to tell the caller: "He says he isn't here," and hang up. But nobody seems to know why.

Another comparable test job-seekers may meet is the "structured interview" developed by the US-owned Selection Research consultancy. It hinges on the theory that people's capabilities can be divined from the detailed things they say. "Highly productive people in any line of work know something different, and talk differently, to mediocre or low producers," explains Dr Donald Clifton, the consultancy's chief, formerly a professor of psychology at the University of Nebraska.

His words are backed by the fairly common experience of first doubting then coming to credit claims made by a

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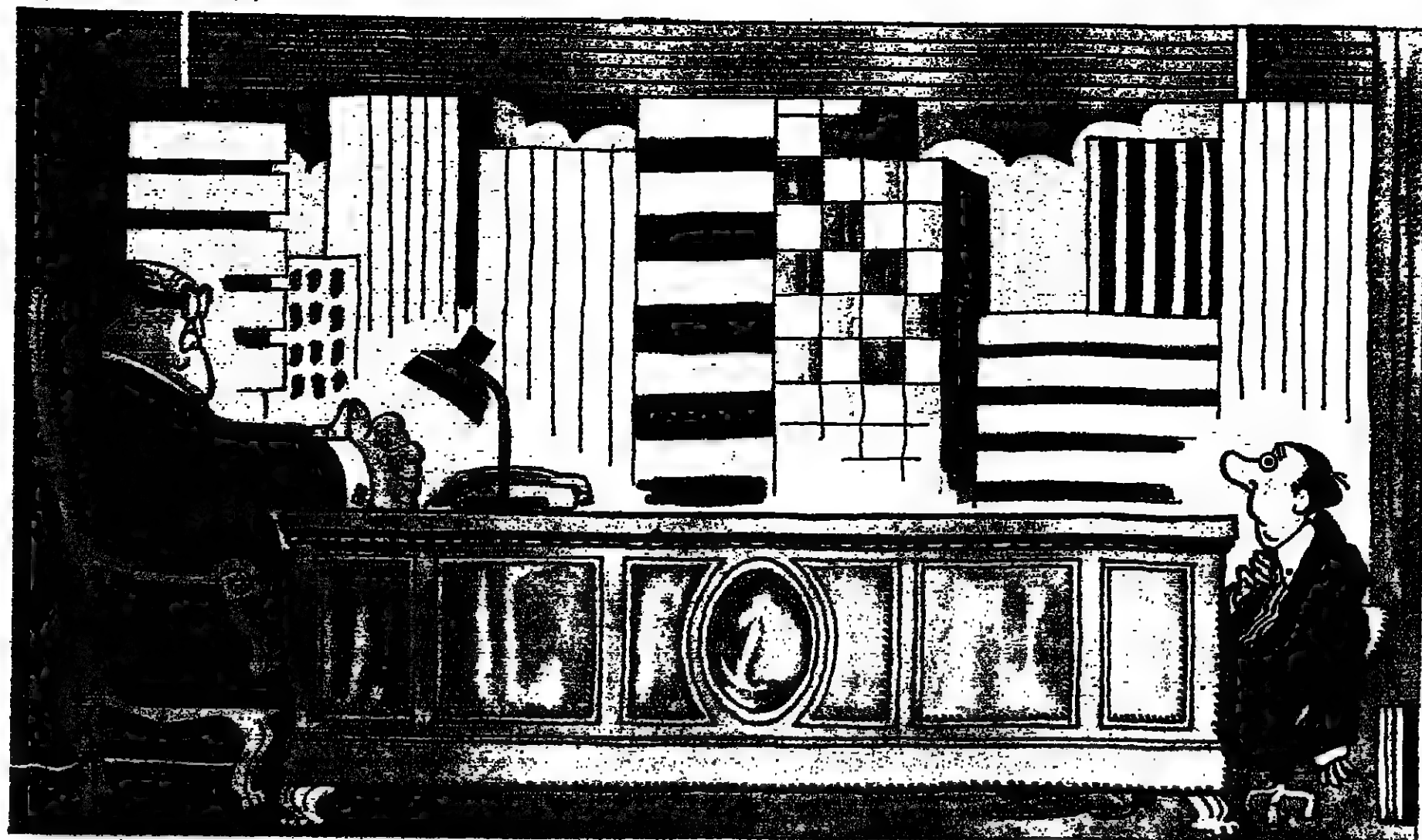
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## BODY LANGUAGE

# Revealing gestures and postures

A GENERAL rule in body language is that the parts furthest from the head are the most difficult to control. So the feet tend to be the biggest giveaway: twitching feet imply unease, while a more vigorous kicking movement can suggest boredom or tension.

During a job interview any leg crossing should be done in the direction of the interviewer as he or she is likely to respond positively on a subconscious level. Everyone's subconscious mind is constantly picking up moods, feelings and impressions through instinct rather than analysis. "We notice things more than we think in terms of body language," says John Rowan, a chartered occupational psychologist who runs body language workshops. "We just know that something is going on but we couldn't put it into words. It influences our behaviour and we are acting as if we understand it. Our little gestures that we're quite unconscious of are often copying the other person's gestures."

An interview can be seen as a game in which there are obvious rules: the clothing

Within a split second of meeting, some sort of judgement will have been made and these initial impressions are crucial. The interview does not start when you are both sitting comfortably, but from the minute you lay eyes on each other.

Your handshake, the way you walk, your attitude in the chair, how you cross your legs, what you do with your hands, the speed at which you talk — all add up to body language which can be a reflection of conflict between what you really think and what you say. And when the interview is over and you are ready to depart, a glance at the eyes will tell all. Emily Carvill interprets.

must be suitable; the correct questions need to be asked and, most important, the right answers need to be to hand. So often candidates turn up with little or no knowledge of the company to which they have applied. And unless they have an answer to the age-old question, "Why do you want to work here?", they might as well forget it.

Although it is a game it is an unequal one, with the interviewer taking up the dominant position. He or she can set up the furniture in such a way that the candidate feels inferior from the start. A large desk between the two puts the interviewee at a disadvantage before a word has been uttered and encourages that person to be more defensive. "You find

out more about their defences but you don't find out more about them," says Mr Rowan. Within a split second of meeting some sort of judgement will have been made — and these initial impressions can be difficult to shake off. The interview does not start when you are both sitting fairly comfortably, but from the minute you lay eyes on each other. "If

you shuffle in looking disconsolate this will register long before the first word is uttered," says Mr Rowan.

Body gestures can be a reflection of conflict between what you really think and what you actually say. So it is helpful to realise what movements will give you away.

Handshakes are very telling. Many people are blissfully unaware that they shake hands like a damp fish, when the firm, snappy variety will give a much more favourable impression. The moistness of the proffered hand will also be tell-tale: too moist implies nervousness — not necessarily a bad thing; too dry can suggest over-confidence — perhaps more worrying.

Eye contact also plays an important role: it is generally accepted that people who do not look others in the eye

while talking or listening may be concealing something. However, it is important to remember that shyness tends to deter eye contact. But make too much eye contact and people end up staring — this unintentionally communicates aggression and can be unnerving.

A natural reaction to an awkward or hostile question is prolonged eye contact with little blinking. Because this will be perceived as an aggressive form of defence, it is inadvisable. A good guideline is to glance away while talking and hold blinking eye contact when being addressed.

One thing to watch for, says Mr Rowan, is whether one has an open or closed posture. A closed posture is typically crossed arms and legs, suggesting nervousness, and acts as a guard against an anticipated attack. "If the interviewer has

a closed posture, then you want to open it. You do this through humour, eye contact or smiles. Or repeating the words that they have just used, which indicates that you're talking that person's language in a very literal way," says Mr Rowan.

Putting a hand to one's face can be a mistake because in body language speak it suggests that one is lying. It's as if the brain is conveying "I shouldn't be saying this". A child will often automatically put a hand to the face when telling untruths but as people get older they tend to modify their behaviour by scratching the ear or nose instead. Adults are more aware that their body language gives them away so they try to make a conscious effort to control it but often find it remarkably difficult to control involuntary actions.

However, remember that some people scratch their nose simply because it itches.

A good ploy, says Mr Rowan, is to speak at the same rate as the interviewer. "If you speak slower than he or she is going to think you're a slacker and you speak faster it gives the impression of being too clever by half. So you take your cue from the interviewer and speak at the same speed and do the same kind of hesitations as then the interviewer will really feel that you are one of us".

It is important to remember that interpretation of body signals varies from nation to nation. "People in the West usually like standing two-and-a-half feet apart whereas in the Middle East you stand about six inches apart. If you can smell the garlic on their breath you're not standing near enough," he says. And the amount of eye contact varies significantly between different cultures.

Bear in mind that when people look at someone they lift their pupils will dilate. So quick glance at the interviewer's eyes as you leave could tell all.

## COSTLY HANGOVERS

# When positives add up to negatives

Emma Tucker discusses drug-testing in the selection process

DRUGS tests for new employees are fairly standard in the US among leading corporations and there are signs that multinationals may start demanding urine samples for "analysis" in the UK as well. This does not only have implications for the person who dabbles in drugs — who would anyway be well advised to live a month of abstinence before attending interviews — but the innocent use of prescribed drugs for ailments as minor as a cold could also leave damning traces in many of the tests used at present.

In Britain some companies are already screening prospective employees for traces of amphetamines, opiates, barbiturates, cannabis, cocaine and heroin.

If carried out correctly then the companies do not run into legal problems and if traces of drugs are detected, there is

nothing to stop them from turning down an applicant.

If a company does decide to weed out drug-users as part of its selection process, then legally it has to inform the individual why the sample is being checked.

The screening process is complicated and controversial. The chain from the bladder to the laboratory must be fail-safe; in the US official monitors, known as "collection site persons" watch over urinating employees to prevent cheating.

The system is also open to abuse in the scientific methods used to analyse samples. Test results need careful validation and interpretation because both false positives and false negatives can occur.

Medscreen, a UK company that tests for "substance abuse", initially carries out a primary screen for each of the drugs being checked. If the

result is negative then Medscreen gives the go-ahead. If there are positives, then the sample undergoes at least a secondary if not a tertiary screening. Medscreen says that problems with screening only really arise when untrained personnel carry out the tests for drugs.

It is possible, according to Medscreen, for large companies to buy equipment to carry out primary screening themselves. If it shows positive then the company may be tempted to take the safe way out and dismiss the applicant.

However, according to Nicholas Cuthbert, a systems administration manager at Medscreen, there are several reasons why a test might show up positive even if the individual has not been taking drugs.

"Maybe the individual took a particular form of headache pill the night before which

could result in a positive primary screening. This is totally wrong," says Mr Cuthbert.

Similarly, poppy seeds sprinkled on a loaf of bread, can show up as an opiate extract. Applicants could therefore be mistaken for heroin-users simply because they were unfortunate enough to eat a poppy-seed bun for breakfast.

There is no legislation at present in the UK regulating testing methods. The National Council for Civil Liberties (NCCCL) which opposes drug screening on privacy grounds says that the process ought to be controlled.

"If you are going to go into an area which encroaches on people's privacy that is to be justified, then it has to be controlled by statute," says Madeleine Colvin of the NCCCL.

But even if methods were regulated, would screening serve a purpose anyway?

Of all the drugs, cannabis takes the longest to disappear from the body — a month. Alcohol, cocaine and opium disappear without trace in a matter of days.

Even if a drug is detected in a sample, this does not mean that the individual is impaired by drugs. Would it really be fair to refuse a job to someone who may have tried a "joint" three weeks previously and decided that it was not to their liking after all?

Routine drug screening has yet to become as widespread in Britain as it is in the US. So far it is mainly the large airlines and companies involved in sensitive areas such as British Nuclear Fuels that screen applicants.

Esso, the oil company, started testing all applicants for evidence of drugs or alcohol abuse two years ago as part of a comprehensive company policy on drugs.

If a graduate is going to be offered a job, Esso informs them that they have to undergo a medical which includes the screening. Esso says it adopted the policy because of the nature of its business.

"Hydrocarbons are dangerous substances and from a business point of view we have employees making decisions on an awful lot of money," said a spokesman. "So screening makes sense from a public safety and business point of view."

After the initial screening, random tests are carried out only on people in key positions — members of the board, operations managers — and on people who operate machinery such as tanker drivers and people on refineries.

At British Airways there is voluntary screening for applicants who will end up in the cockpit.

BA said that anyone who refused the test would be viewed with suspicion but that in the past four years no one had refused and no one had tested positive for drugs.

Clearly the widespread screening experienced in the US has yet to catch on in the UK. If and when it does, perhaps it will be for different reasons; as one senior management consultant said, the only reason why his company would screen for drugs, would be to make sure applicants were classy enough to take



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Pirelli General plc  
Post Office  
PowerGen PLC  
Reed Accountancy  
Reedpack Limited  
RMC Group PLC  
Robert Half and Accountemps  
Rolls-Royce PLC  
Rover Group  
Shell  
Spring Grove Services Group Limited  
South West Thames Regional  
Health Authority  
STC Telecommunications  
Tate & Lyle PLC  
Thames Water PLC  
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Trusthouse Forte PLC  
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## SELECTION PROCEDURES

# Testing time for candidates

John Thornhill looks at how employers assess applicants

"I'M NOT afraid of dying, it's just I don't want to be there when it happens," Woody Allen once said. Many people feel the same way about employers' selection tests: in theory they are something that just happen to us all but in practice they can inspire something akin to terror.

It need not be so. For a start, an employer asks you to attend an assessment centre to assess you have survived the first stage of the selection process - a cause for self-congratulation - and that the employer wants to find out more about you. It also gives you the opportunity to find out more about the employer.

Employers' selection tests are enormously from a single extended interview with senior personnel to rigorous assessment courses stuffed with written tests, group discussions and interviews.

It is becoming increasingly common, especially among larger organisations, to range such full-blown programmes, often at their own assessment centres.

Typically, these courses start with an informal evening meal with some of the company's young managers. This will give you a chance to find out something about the employer from a different perspective. Make the most of it. Information that

you can pick up about the employer's attitudes and ethos will serve you well in any forthcoming interviews. It will also help to determine whether you want to work for the company. Do you really want to be like these managers in a couple of years' time?

The following morning will probably begin with a written test. This may be an intelligence test or, as is becoming increasingly common, a multiple-choice psychometric test. The questions may be weird - would you prefer to be executed by guillotine or the gallows? asks one - but such tests are used to sketch a personality profile. Are you primarily an emotional, rational, analytical or artistic kind of person?

These tests are followed by a series of group exercises, maybe a case study of an employer's business dilemma or a discussion about a contentious issue. Such tests can be intimidating. Candidates sit around a table conducting a contrived debate while assessors eagerly scribble notes on a clipboard.

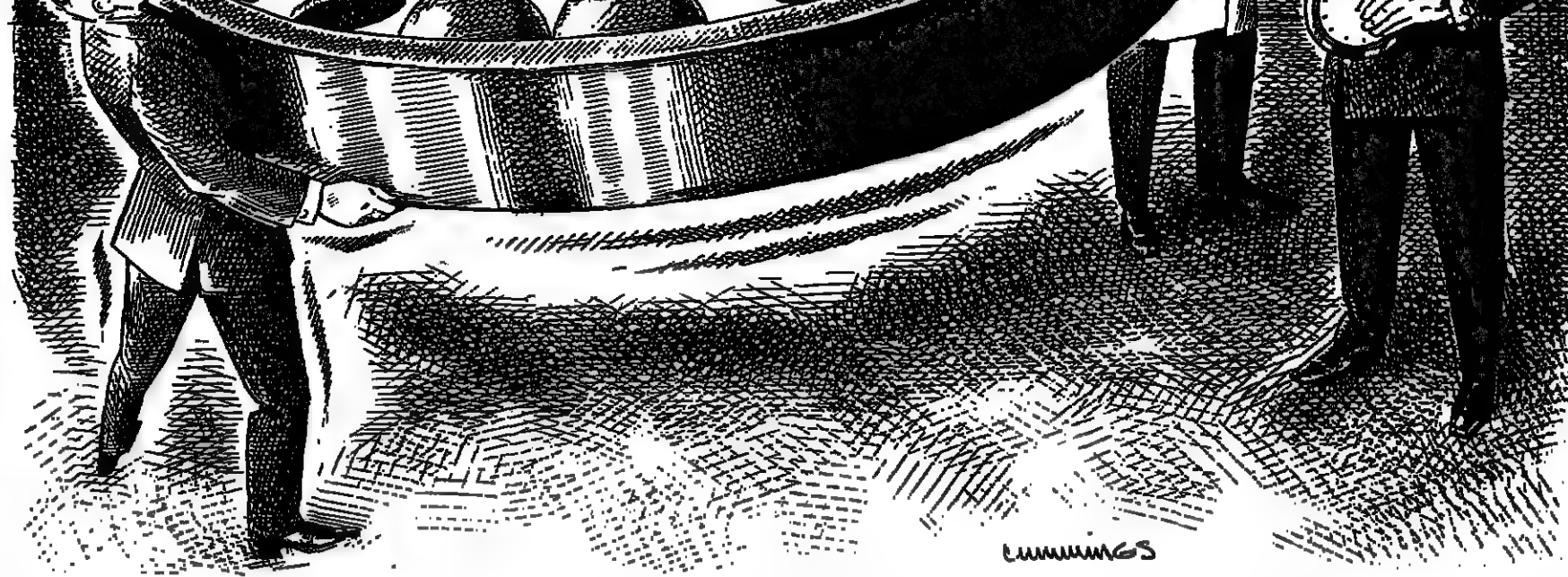
But do not be afraid of speaking up no matter how

impressive or articulate your fellow candidates are. One psychologist who sits on several selection panels advises: "Students should not be frightened of being themselves. They should also not feel intimidated by others. While some people may have strength in one area others will have strengths in different areas."

The assessment day is also likely to contain several interviews. Unlike the first interviews, these can be wide-ranging in scope and may not be just a simple route march through your CV. Managers may ask your opinions about news events or test your knowledge of their company.

Outside assessors, often psychologists or social scientists, also conduct interviews. They are not trying to deduce whether you are an unstable psychopath but are there to help counter any unacknowledged prejudices the other assessors may have towards particular candidates and to understand the candidate's perspective. They will ask applicants to express any discomfort they felt about other interviews.

"We want to know if the candidates feel they have projected themselves during the day, if anything has made them behave untypically in any way. Something may have happened outside or a group could prove to be too competitive for them or too competitive enough. We are not really



trying to assess any kind of personal problems except where there is obvious distress," a psychologist says.

"Applicants from minority groups sometimes feel themselves to be at a disadvantage and they may well be at a disadvantage. Each selection group is necessarily a competitive place and there can be scape-goating of an individual," he says. Scape-goating can result from differences in gender, social background or from different regional or ethnic origins. For example, a woman from a northern working class family may well feel uneasy with a group of southern men from professional families. "People are silent because they are nervous about talking in public or

because they are just waiting to contribute. We tell the selectors why they are acting in a particular way or why they are not."

Every organisation looks for different skills. But one multinational company, which is probably not uncommon, defines what it is looking for as follows:

- A capacity for working in a group environment and being able to think organisationally;
- An ability to apply a good level of intelligence to management problems;
- Creativity and the capacity to think up original solutions.

These may all seem rather general goals and indeed they are. The selectors are not looking to measure individuals against a defined set of standards but are trying to form a general impression of personalities, interests and abilities. "My main advice is to act naturally but at the same time to get involved as much as possible in the debates. Just try to demonstrate who you are," says the psychologist.

THE best job opportunities may not always be on your doorstep. In fact, they may not even be in your own country. With the opening of Europe's internal market in 1992, there is absolutely no reason why you cannot look further afield for the job

of your choice. Indeed, Europe's largest employers increasingly say they would like to cast their employment net more widely. The following is a list of Europe's top 100 employers, with their addresses and telephone numbers.

## EUROPE'S TOP 100 EMPLOYERS

Company	Address	Telephone
Royal Dutch Petroleum Co. (UK)	30 Canal van Brabant, 2586 HR The Hague, Netherlands	(70) 3774540
British Petroleum	Via Veneto 55, 00187 Rome, Italy	(06) 47 371
Daimler-Benz	Britannic House, Moor Lane, London EC2Y 9BU	(071) 820 8000
Fiat	Postfach 80 02 30, D-7000 Stuttgart 80, Germany	(711) 1782287
Siemens	10 corso Marconi, 10126 Torino, Italy	(11) 66881
Volkswagen	Wittelsbacherplatz 2, D-5000 Munchen 2, Postfach 1 03 Germany	(86) 2341
Unilever	D-180 Walsburg 1, Germany	(3001) 92 44 88
Deutsche Bundespost	Burgemeester Jacobplein 1, Postboks 700, 3000 DK Rotterdam, Neth.	(10) 64 58 11
Philips Gloeilampenfabrieken	Adenauerstrasse 51, D-5300 Bonn 1, Germany	(228) 14-1
	Groenewoudseweg 1, 5821 CT Eindhoven, Netherlands	(40) 78 34 86
Renault	34 Quai du Port du Jour, Boulogne-Billancourt, France	(1) 46 09 15 30
Nestle	Avenue Nestle, CH-1800 Vevey, Switzerland	(021) 804 21 11
ENI	(Ente Nazionale Idrocarburi) Piazzale Enrico Mattei 1, 00144 Roma, Italy	(6) 580 01
BNP Industries	Windsor House, 80 Victoria Street, London, SW1H 0NL	(071) 222 7878
Vale	Karl-Marx-Platz 3, Postfach 30 10 51, D-4300 Dusseldorf 30, Germany	(211) 4576-1
BSF	Carl-Schuch-Strasse 38, D-5700 Ludwigshafen, Germany	(621) 6 00
Electricite de France	2 rue Luis-Murat, 75008 Paris Cedex 08, France	(1) 47 64 22 22
Hoechst	Postfach 80 03 30, D-6230 Frankfurt-am-Main, Germany	(69) 305-0
Peugeot	78 avenue de la Grande Arme, 75118 Paris Cedex 16, France	(1) 40 98 53 51
Boyer	Bayernwerke, D-5000 Leverkusen, Germany	(214) 30-1
EGE	54 rue de la Boetie, 75008 Paris Cedex 08, France	(1) 45 83 14 14
Imperial Chemical Industries	2 Place de la Coupole, La Defense 6, 92400 Courbevoie, France	(1) 47 44 45 45
ABB Asset Brown Boveri	Imperial Chemical House, Millbank, London SW1P 3JP	(071) 894 4444
Electricity Council	P.O.B. 1731, Zurich, Switzerland	(051) 251 11
British Telecommunications	30 Millbank, London, SW1	(071) 235 4428
Ferruzzi Agricola Finanziaria	British Telecom Centre, 81 Newgate Street, London EC1A 7AJ	(071) 558 3000
Thyssen	Piazza Belgioioso 2, 20121 Milano, Italy	(2) 701903
Valeo	Kaiser-Wilhelm-Strasse 100, D-4100 Duisburg 11, Germany	(0203) 62-1
Boech (Robert)	S-405 08 Goteborg, Sweden	(081) 52 00 30
	Robert-Boech-Platz 1, D-7000 Stuttgart 1, Germany	(711) 81 11
RWE AG	Kruppstrasse 5, D-4300 Essen 1, Germany	(201) 185-1
Wii	Instituto Nacional de Industria, Plaza de la Salsina noa 8, 28008 Madrid 52 rue d'Anjou, 75004 Paris Cedex 08, France	(1) 401 40 04
Generale des Eaux (Co.)	5 rue Michel Ange, 75781 Paris Cedex 16, France	(1) 42 58 51 50
Total	Petroleum 130, Postfach 40 02 40, D-8000 Munchen 40, Germany	(49) 3885-1
Boehringer Mannheim	82 rue de l'Industrie, B-1040 Bruxelles, Belgium	(2) 233 91 11
Unilever	Immeuble Ile-de-France, 4 place de la Pyramide-Cedex: 93 0270 Paris-La Defense	(1) 45 06 80 10
British Gas	Rivermill House, Grosvenor Road, London SW1X 7AE	(071) 821 1444
Hansen	1 Grosvenor Place, London, SW1X 7JH	(071) 245 1245
Thomson	173 Boulevard Haussmann, 75378 Paris Cedex 08, France	(1) 45 63 12 12
Electriska	Luxbacken 1, Lilla Essingen, S-10545 Stockholm, Sweden	(8) 738 00 00
DIAG AG	Kangassasse 1, A-1015 Wien, Austria	(232) 723 621
Imperial Chemical Industries	Friedrich Ebert-Anlage 43-45, D-8000 Frankfurt-am-Main 11, Germany	(69) 2931
Rohstoffe	Beltingstrasse 1, Postfach 10 32 62, D-4300 Essen 1 Germany	(201) 177-38 30
Chie-Gelby	CH-4002 Basel, Switzerland	(61) 36 11 11
Mannesmann	Postfach 5001, Mannesmannufer 2, D-4000 Dusseldorf 1, Germany	(21) 820 0
Montedison	Foro Buonaparte 31, 20121 MILANO, Italy	(2) 83331
Ford Werke	Ottoplatz 2, D-5000 Kohn 21, Germany	(221) 825-1
Carver	5 avenue du Long Reysse, 91055 Les Essennes BP 147 91005	(1) 80 88 98 92
Grand Metropolitan	11-12 Hanover Square, London, W1A 1DP	(071) 629 7488
Ford Motor Company UK	Eagle Way, Brentwood, CM13 3SW	(0277) 283 000
General Electric Company	1 Stanhope Gate, London, W1A 1EH	(071) 463 4484
Opel (Adam)	Bahnhofplatz 1, D-6030 Russelsheim, Germany	(6142) 581
Seimens (J)	Stamford House, Stamford Street, London SE1 9LL	(071) 921 6000
Saint-Gobain (Co. de) SA	14 rue de Valenciennes, F-92400 Courbevoie, France	(1) 47 82 30 00
British Aerospace	11 Strand, London WC2N 2ET	(071) 593 1000
BTR	Silverstone House, Vincent Square, London SW1P 2PL	(071) 834 2948
Norsk Hydro	Bygdo Allé 2, PO Box 2584, N-0203 Oslo 2, Norway	(2) 43 21 00
Marx and Spencer	Michael House, 37-47 Baker Street, London W1A 1DN	(071) 935 4422
Michelin	12, Cours Sablon Clermont-Ferrand (Puy-de-Dome) France	73 92 41 95
Metalgesellschaft	Routenweg 14, P.O. Box 101501 D-8000 Frankfurt am Main 1, Germany	(69) 159-0
Societe Casier ale de Belgique	20 rue Royale 30, B-1000 Bruxelles, Belgium	(2) 47 82 11
Pechiney	23, rue Balzac, 75008 Paris, France	(1) 45 51 51 51
MAN	Ungerstrasse 69, Postfach 40 13 47, D-8000 Munchen 40, Germany	(49) 3 80 96-0
Krupp, Fried	P.O. Box 10 22 82, D-4300 Essen 1, Germany	(201) 1881
Alco	Velperweg 76, Postbus 9300, 5800 SB Arnhem, Netherlands	(085) 66 44 33
SNCF (Societe Nationale des Chemins de Fer Francaise)	88 rue St. Lazare, 75009 Paris Cedex 09, France	(1) 42 85 60 00
Tesco	Tesco House, Delamare Road, Cheshunt, Waltham Cross EN8 9SL	(0992) 322 22
Stabell	(Den Norske Stats Oljeselskap) Postboks 300, N-4000 Stavanger, Norway	(47) 80 80 80
British Steel	9 Albert Embankment, London SE1 7SN	(071) 736 7654
Bourgeois	1 Avenue Eugene Freyssinet, 78081 Guyancourt, France	(1) 3 0 60 23 11
Allied-Lyons	78281 Saint-Quentin-Yvelines, France	(071) 323 9000
Dalgety	24 Portland Place, London W1N 4BB	(071) 489 7712
Migros-Gesellschafts-Bund	Limmatstrasse 152, CH-8001 Zurich, Switzerland	(071) 277 21 11
Deutsche	Postfach 11 05 30, D-5000 Frankfurt-am-Main 11, Germany	(201) 21801
British Coal Corporation	Nobert House, Grosvenor Place, London SW1X 7AE	(071) 235 9020
British Airways	Speedbird House, Heathrow Airport, Hounslow TW6 2JA	(071) 759 5511
Alstom	Albert Heijweg 1, 1507 EH, Zaandam, Netherlands	(30) 59 11 11
Haniel, Franz & Cie	Kapellstrasse 2, D-5000 Hamburg 60, Germany	(40) 335-1
Rapet	Franz-Haniel Platz, Postfach 13 04 20, D-4100 Duisburg 13, Germany	(203) 806-0
Gastgeber	89 Castellana, 28046 Madrid, Spain	(1) 456 33 00
Saab-Scania	Members Hill, Brooklands Road, Weybridge KT13 0GU	(0532) 859 777
BSN Gruppe	S-581 88 Linköping, Sweden	(13) 180 900
Karstedt	7 rue de Tahran, 75008 Paris, France	(1) 45 36 20 70
Schwegel & Cie	Theodor-Althoff-Strasse 2, Postfach 10 21 64, D-4300 Essen, Germany	(2) 509 51 11
RTZ Corporation	33 Rue de Prince Albert, B-1050 Bruxelles, Belgium	(071) 550 2288
Post Office	6 St. James' Square, London SW1Y 4LD	(071) 235 8000
Schneider	33 Grosvenor Place, London SW1X 7PX	(071) 45 06 78 00
Neste Group	4 rue de Longchamp, 75118 Paris, France	(1) 45 06 78 00
IBM (UK) Holdings	Kellianmi, SF-02150 Espoo 15, Finland	(09) 4501
Deutsche Lufthansa	PO Box 41, North Harbour, Portsmouth, Hants PO8 3AU	(0703) 321212
Swedish	Von-Gablers-Strasse 24, D-5000 Kohn 21, Germany	(221) 8261
Kvaerner	Linstrasse 35, CH-4002 Basel, Switzerland	(61) 24 11 11
Seatchi & Sanzaki Company	Sattamaku 3, P.O.B. 135-136, SF 00161 Helsinki, Finland	(09) 1981
Oliveri	Berkley Square, London W1X 5DH	(071) 485 5000
Bass	Via G. Jervis 77 10016 Ivrea, Italy	(123) 325
Preussag	50 Portland Place, London W1N 3DF	(071) 627 5498
IBM Deutschland	Karl-Wiechert-Allee 4 Postfach 48 27 D-3000 Hannover 1 Germany	(511) 5 95 00
	Pascallstrasse 100 Postfach 90 06 80 Stuttgart 80 Germany	(711) 785-0

RIGHT AT the start, let's be clear about one thing: waiting for you in the mad, mad world outside the relatively sane cloisters of your university or polytechnic is a host of employers suffering from a variety of neurotic disorders.

Your task will be to identify them and, if possible, to avoid them.

Fortunately, there are ways of detecting organisational mania or, for that matter, mania. Drs Manfred Kets de Vries and Danny Miller published a guide some years ago, and their findings still hold true today. Although they teach management in international business schools, both have deep interests in psychodynamics.

It will no doubt come as a relief to know that the two authors have not so far discovered any employers beset by psychosis. On the other hand, their studies revealed that organisational neuroses are so widespread that there is little chance of finding a fully sane employer.

Provided the collective mania consists of a mixture of highly varied neuroses spread among individual managers, there seems no reason why the accumulated insanity should not add up to success.

It is when power is held by a single nutcase, or by a caucus of executives in the same mental mould, that prospective employees have to beware. The authors have pinpointed five types which are easily recognisable.

The "paranoid" organisation is usually run by a clique of executives convinced that everyone is out to get them. They tend to hoard power at the top by instituting systems of vigilance and control over subordinates. They distrust each other and have a deep



Waiting in the mad, mad world are employers suffering from a variety of neurotic disorders

## ORGANISATIONAL MANIAS

# Symptoms of madness

Corinna Bold helps you to recognise sane employers

suspicion of their underlings. They are even more distrustful of outsiders, and work well together to see that their company detects and counters suspicious moves not just by competitors, but by customers.

Detailed controls over staff, and minutely specified planning, are the marks of "compulsive" organisations, which are obsessed with ruling out all possibilities of surprise. The powers and rewards of employees are determined by the position in the pecking order, and their actions are strictly controlled. These organisations

perform well so long as the market remains the same. However, because they stifle initiative they could be caught out by the emergence of new technology in their sphere of operation.

The "depressive" organisation is likely to be hit even more by change, because its executives have surrendered their initiative to the company system. Precedent is their ruling passion, and they label as stupid any suggestion of improving efficiency in the operating procedures. What ingenuity the executives possess is devoted largely to political machination. Governmental and other bureaucracies which do not have to please customers are prime examples.

## PAY NEGOTIATION

# Package your skills to suit your case

Although companies claim starting salaries are set in stone, John Thornhill picks out the exceptions

NEARLY all companies say their graduate starting salaries are set in stone. In many cases they are not, but it might well take a good deal of effort to chisel out a better deal.

For most students, however, starting salaries do not seem to be the vital factor in deciding on a future career and they may not mind the odd hundred pounds here or there. After all, almost any salary sounds good after struggling through college on a meagre student grant.

A survey by Alsac, the international student organisation, showed that pay was not high on the list of priorities for UK students, ranking behind such factors as the meaningfulness of work, opportunities for promotion and training, and job satisfaction.

work experience it will help your cause if you can link the knowledge and skills you have gained to the particular job for which you have been selected.

A couple of months labouring as a shelf-filler at the local off-licence may not be the most powerful experience to justify higher pay. But a year spent working abroad and improving your language skills may bolster your case. The secret is always to make the work experience appear as relevant and useful as possible to the employer.

Similarly, those with post-graduate qualifications will be in a stronger position to haggle for higher pay if they can suggest how their additional skills may enhance their usefulness. But someone who has spent seven years completing a doctorate on power manufacturing in 14th Century Bohemia can probably not expect their qualification to carry as much weight as a post-graduate degree in aeronautical engineering when applying to British Aerospace.

Professional qualifications are another obvious advantage. For example, one drinks com-

had successfully argued for a higher starting salary this year because she had an additional qualification from the Institute of Personnel Management which would be of use in the job she was going to do.

Another tactic that can be adopted once a job offer is secure is to let the potential employer know that you are considering offers from rival employers. It helps, of course, if this is true. Many employers become quite irrationally possessive of candidates to whom they have made offers, especially if they know a competitor down the road might seduce them away.

But it would be senseless to press the pay issue to the point of souring a company's attitude before you even start working for them. A better tactic would be to register your disappointment but make sure that your work for them demonstrates your greater maturity/knowledge/skill and justifies a higher reward.

Many companies stress that although they offer rigid starting salaries they are far more flexible about pay later on and take account of merit.



ACTION PLAN

# Searching inquiry

John Thornhill on how to create your own chances

IT IS a strange fact of life that many of the best jobs are never advertised, especially in some of the more exotic and interesting fields. If you stop to think about it, what did you last see an advertisement for a trainee millionaire or go-go dancer?

Smaller companies, in particular, often cannot afford the time and expense to stage presentations to 80 universities and polytechnics and therefore fill their vacancies through informal networks of contacts and recommendations. But it is often in these smaller companies that many of the more interesting opportunities lie.

Small publishing companies, design agencies, management consultancies and pressure groups can offer far more varied and interesting careers than their bigger competitors but many do not have the resources to spread their recruitment net wide.

Meanwhile, some larger organisations have the opposite problem: a surfeit of applications. The BBC is flooded with thousands of applications for a handful of trainee production jobs. But there are many other points of entry to the BBC, few of which are known to the outsider and which the thundering herd avoid.

The only way to find out about these jobs is to become an insider and to tap these networks. This is often difficult to do but the effort invariably produces results.

The primary need is to know what you want and be determined to achieve it. If your heart is set on going into publishing then it is surely possible to do so and no-one should discourage you from trying. But there are many small publishing companies which are difficult to find out about and it might require a lot of effort and heartache to succeed.

Creating your own chances in the careers market will be greatly helped if you have a plan of action. It may go something like this:

■ First, identify target companies and individuals. If you want to go into publishing then find the addresses of as many companies in the field you are interested in and note the names of individuals in those organisations. Careers offices will be a valuable first port of call while public or specialist libraries may well contain more detailed information.

■ Second, find out all you can about those organisations. Careers offices are often useful and can provide published information about companies as well as their own literature. If you are lucky the careers service files may also contain the names of people from your college who have gone to work for these companies, how an offer was made to them and their views on their jobs. Call these people for advice. At best, they may be able to tell you about a vacancy; at least they should be able to offer practical advice on what steps you can take.

■ Third, using the knowledge

you have gleaned about individuals and companies from your library searches, and by using contacts friends and family have provided, write to everyone you think might be able to help. This may involve dozens of letters and will inevitably consume a great deal of time. For this reason, you might consider it safer to delay your search until after your finals although a few selected letters earlier in the year may well pay dividends later.

The letters should be clear and concise and should include a CV and your purpose in writing. Ask if they have any suitable vacancies and, if not, whether they expect to have any in the future. Also ask if they would be prepared to see you anyway to discuss opportunities in your chosen field and to seek their advice.

■ Fourth, follow up these letters with a phone call. Many of your letters will remain unanswered and subsequent phone calls may just receive a brush-off. But with enough persistence, you will almost certainly strike it lucky somewhere. Once you are through to the person concerned, remind them of your letter and ask if you can arrange a time to see them. Stress that you are not asking for a formal interview but just a chat to discuss your interests and to learn more about their organisation. This can be easily done over a sandwich at lunchtime.

■ Fifth, prepare well for any meetings you may have succeeded in arranging. Read everything you can find on the company you are visiting and the field in which they operate. Read the relevant trade journals, if you can get hold of them, or general newspapers including, of course, the Financial Times to find out industrial trends or recent points of interest. Brim over with enthusiasm at the meeting and even if they are unable to help you themselves ask if they know anyone who can.

■ Sixth, follow up any meetings by writing a letter thanking your contact for taking the time to see you, gently reminding them of anything they promised to do or people they said they would get in touch with, and asking them to keep your details on file in case any

suitable vacancies arise in the future.

This whole process may seem alarming. After years of being sheltered from the harsh winds of the market place in various educational establishments, it can come as a great shock to have to go out and fight for what you want. It can be a nasty surprise to realise that as well as being a warm and cuddly human being you are also a commodity that has to be packaged and marketed like any other product.

Those who want a less precarious entry into the "real" world should perhaps opt for a safer option on the annual "milk round" of companies that ply their wares on college campuses. But those willing to take a risk in the open market



Some companies use informal methods of recruitment such as the public school old-boy network

can often reap great rewards and land that ideal job. It will probably not be easy, and at times it will be dispiriting - when you receive your ninth rejection letter or meet with a total lack of interest you may well wish you had accepted that job offer from the North West Thames gas board - but the effort will almost certainly be worthwhile. If nothing else you will learn a great deal about how the job market works; and a great deal about yourself.

One source of unfailing comfort is the American book *What Colour is Your Parachute?* by Richard Nelson Bolles. With 4m copies sold it has helped many people find or change jobs. It is published by Ten Speed Press. Price £7.95.

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## Old school tie and all that...

MOST PEOPLE choose a career and then find themselves bored out of their minds. They loathe Monday mornings, hate Friday evenings, live only during the weekend and are dead five days a week. It's no way to exist.

The problem is, of course, that those really interesting jobs - the ones that are so good you don't equate what arrives in your bank account each month with what you do during the day - are all too seldom advertised.

If the world was a fair place jobs would be awarded according to qualifications, and advancement would be dependent upon talent and ability.

But being fair costs money. A company wanting to cast a wide net in an effort to provide equal opportunities for graduates from all colleges and universities, soon finds that meritocracy does not come cheap. The cost of processing the thousands of applications that the BBC or British Airways receives is beyond the means of most companies. It is also a waste of resources if the organisation has only a couple of vacancies. Quite simply, a fair proportion of personnel managers - and particularly those in desirable sectors - decide it is simply not cost effective to advertise.

Instead, they use more informal methods of recruitment. Much of this informal job-filling is through what the author Tim Heald has defined as networks.

In the UK, the most notorious network, is, of course, the

public school old-boy network. However, there are plenty of other networks offering the possibility of advancement. These range from the officers and non-commissioned officers of the Scots Guards to former inmates of Wormwood Scrubs; from the extensive but exclusive coterie of feminist historians to the Oxbridge Mafia.

For those looking from the outside, such networks can appear exclusive and intimidating. Nevertheless, it is not as impossible to penetrate them as might be thought. Indeed, it is quite possible to create your own network of contacts.

At its worst, the creation of such private networks by students is known campus-wide as hatching. The hack is a common enough sight: putative journalists spend their time running student publications and interviewing famous Fleet Street editors who might find them a job later; potential management consultants use their term times to visit factories with the Industrial Society and their holidays to do vacation work with leading businesses; and aspiring actors and directors put on three plays a term and visit the Edinburgh Festival to meet the right people.

We've all sneered at them. But once the sick bags have been put to one side, it must be admitted that hatching can be an extremely effective method of entering attractive careers with few opportunities and an excess supply of candidates.

When you meet contacts, Tim Heald in his book *Networks* gives five cardinal rules: be useful, don't be boring, listen, ask questions and don't make assumptions.

*Networks* by Tim Heald. London, 1993.

Paul Abrahams

**GENISTA McIntosh** has managed to find something that many people would like - a job that is interesting, glamorous and never dull.

Since March, she has worked as an associate producer for the Royal Shakespeare Company at the Barbican in London.

Her tertiary training was not in the area of arts administration. That was possible, says Ms McIntosh, because she made her way through the ranks at a time when the prospects of a satisfying job were much brighter for aspiring graduates.

"The difference is that people at university 20 years ago never had to think there would not be a job for them."

Consequently, there was much less of a vocational thrust. "Now they have a keener sense of having to direct themselves to a vocation."

Students now must find ways to combine pure subjects with the learning of skills. "People don't have the luxury to pick and choose as we did."

Ms McIntosh studied philosophy and sociology at the University of York with no particular career in mind. With her degree in hand, she decided to study for a diploma of education but packed it in after a term.

At first, she did not use her degree to help her find a job. Nor did she seek a particular vocation or realise quite where her ambitions lay.

Her first job was working for the York festival. Later she tried to adapt her studies to a career in publishing, but after two years decided the theatre was where she wanted to be.

Subjects such as philosophy and sociology had not provided a vocational base for Ms McIntosh, so she started at the bottom working as a secretary at a theatrical agency.

She quickly learned the mechanics of the trade and became accustomed to working with actors.

During those two years she finally decided on the job she wanted - the casting director of the Royal Shakespeare Company.

PROFILE: Genista McIntosh

## Sheer bravado paid off

A woman in theatre management



Genista McIntosh: acquired her skills in situ

Coincidentally, the position was advertised, and out of "sheer bravado" Ms McIntosh applied. Apparently the recruiter - nowadays it would be a panel - did not think her application was so very outrageous and her bravado paid off.

Ms McIntosh was required to acquire her skills *in situ*. In a most un-modern way she developed her management skills by organic rather than inventive principles, inductive

rather than deductive.

That was back in the days when vocational management had not got off the ground. Now there are relevant arts management courses (see Section 2: the A-Z of career opportunities) at many universities and masses of people with those qualifications are coming on to a narrowing market where government funding is shrinking.

The curtains are soon to close on Ms McIntosh's career at the RSC. This month she takes up an appointment as executive director of the Royal National Theatre, and will work under Richard Eyre, the director of the theatre. Her move coincides with the closure of the RSC theatres at the Barbican until next year.

Ms McIntosh is the most senior woman in theatre management in the UK. She is not unaware of her responsibilities to women: "I feel one must accept that to be a woman in a position of responsibility, one must encourage and make way for women."

However, some women may be let down by their own failure to aspire, she said - like many successful people, Ms McIntosh puts store in people recognising opportunities when they arise.

Her new duties will include responsibility for and overseeing of formal management and finance; and fund-raising including catering and publishing, marketing and press relations, touring, research and so on.

Her agenda will include several meetings a day. However, the nub of the job will be production and deciding on the repertoire, as well as the management of people in a volatile environment. The turnover is in the vicinity of £20m.

Little wonder Ms McIntosh is never bored by her work. She seems to thrive on her contact with actors and the many other creative people in the theatre and - perhaps most pleasantly - she has the opportunity to see a lot of theatre.

Marian Edmunds

PERSONAL EXPERIENCE

## Perseverance breeds heartache

Joanna Olsen describes the frustrations of looking for a non-traditional job

IF WHAT you are looking for is a non-traditional job, then the traditional milk round is absolutely not for you. I ought to know. I have been job-hunting for three months without success.

I am determined to find a job as a researcher for television documentaries, and there are many other people who would like to do that too.

Like many other "alternative" jobs that demand creativity and self-expression there is no direct career path to follow. Learning to promote myself and refusing to compromise in spite of the hiccups requires stamina. However, it is possible to make things happen by taking the initiative.

There is the old chicken-and-egg syndrome of "no work means no experience and no experience means no work". It has shown me how important work experience has become. Companies may seem daunting from the outside, but inside everyone is generally overworked and happy to have some bright young spark come in and help them. I have done several unpaid placements which have forced me to waitress in the evenings. Nevertheless, the pay-off is substantial. Although I am by no means a professional I am better equipped than someone who has only enthusiasm to recommend them.

After a boring day doing a summer job in a bookshop in Detroit, where my parents live, I decided never to waste my holiday again. Instead, I telephoned the local television stations asking about their training schemes and then wrote off applications. I was accepted as an unpaid apprentice to the producers at PBS, the prestigious American Public Broadcasting system. This has proved to be invaluable experience and the deciding factor whether or not employers have taken an interest in me. I had the advantage of living in Detroit so the practical side was easy to arrange. However, similar schemes also exist in the UK for young people who want to try out different professions. It is a route worth exploring.

During my spare time in the US I also volunteered at a local cable station. This gave me the chance to get hands-on technical experience in camera work and lighting.

Targeting potential employers has been an obstacle course in itself. Personal contacts are fruitful. While they rarely get you a job they do allow you to get your foot in the door. After that it is up to you to present your credentials.

The Careers Advice Service at the London School of Economics where I studied international relations was next to useless for my field. Instead, I went to the Central London Reference Library for information on independent production companies. I waded through an index of producers, looking for company profiles which suited my interests.

Once I had a list of 40 potential employers I telephoned



Joanna Olsen: determined to find a job as a researcher for television documentaries

to 20. That way I found out exactly who to write to. Getting the CV to the relevant company and the correct person is half the battle.

Promoting myself has been a definite learning process. The art of writing a clear CV and an inspiring covering letter takes time and patience. A good trick is to print the CV on coloured paper so that you immediately stand out visually from the crowd. Following up letters with telephone calls or impromptu visits is also essential. The job hunt seems to be a test of my endurance to see if I am keen enough to deserve a break.

The major obstacle is always getting past the secretary. It has been a soul-destroying task; like the time I was curtly told not to bother calling again. The usual response is a bland assurance that my details are on file. I can just imagine them lying in the bin!

Out of the 20 companies I contacted two have invited me for interviews and would like to work with me. Unfortunately, that will be only when they gain the financial backing for their projects. In the meantime, I must keep my nerve.

I have uncovered new companies to badger and I must maintain the pressure on the previous ones. Until I get my first break there are many projects on which I can be working. For example, placements, freelance articles, developing

are unemployed is someone who is not motivated.

Finally, I must continue to monitor the press for opportunities. Despite the massive response usually drawn to advertised jobs I have been short-listed for one. This has given me some encouragement to continue answering them.

In the end finals are just the prelude to something altogether bigger. Deciding where to orient yourself takes initiative, creativity and hard work. This holds true for all "alternative" jobs. Fortunately, the dividends of a fulfilling career justify the determination and heartache.

PROFILE: Tony Galvin

## Proof that there is life after football

Marian Edmunds meets a footballer preparing for a career in leisure management

SWINDON TOWN winger Tony Galvin is proof that there is life after football. And, equally important, that a career in sport is not a dead end.

He is now preparing for a career in leisure management where he will be able to apply his football experience and his academic qualifications.

Mr Galvin did not feel ready to decide on a career when he finished school, and university seemed a good means of postponing that decision.

Influenced by a school trip to the Soviet Union, Mr Galvin took up Russian studies at Hull University including language, literature, philosophy and politics.

He had played cricket for Yorkshire schoolboys and football at school and university level, and was approached to play for the non-league club of

This provided a level of football not far removed from the standards of the Fourth Division. It also provided Mr Galvin with a little spending money with which to supplement a university grant - and meant that, unlike many students, he did not need an overcoat.

Various talent-spotters were watching his game, among them Tottenham Hotspur at a time when the club was in the second division.

After he completed his studies, Spurs signed up Mr Galvin, one of the first players to be plucked from non-league ranks to a club in a high division. It also enabled him to again postpone his decision on a "proper job".

Nevertheless, he believes there are plenty of advantages in what he did do. Mr Galvin



Tony Galvin

moving to Sheffield Wednesday. He has visited various eastern European countries, Japan, Australia and Hong

caps for Ireland, and played in the 1988 World Cup.

At Sheffield he started an MA in leisure management, continuing after his move to Swindon where he joined manager Osvaldo Ardiles, who had earned his respect as a teammate at Tottenham Hotspur.

This season is Mr Galvin's last, and during it he must complete a dissertation for his degree. The course included financing, marketing and resource management with a leisure bias.

He attributes his success to his willingness to work hard rather than intelligence or any particularly talent.

Mr Galvin regards himself as quite fortunate that he can look forward to a second career after football, although he speculates that potential employers might be dismissive that his first career was spent

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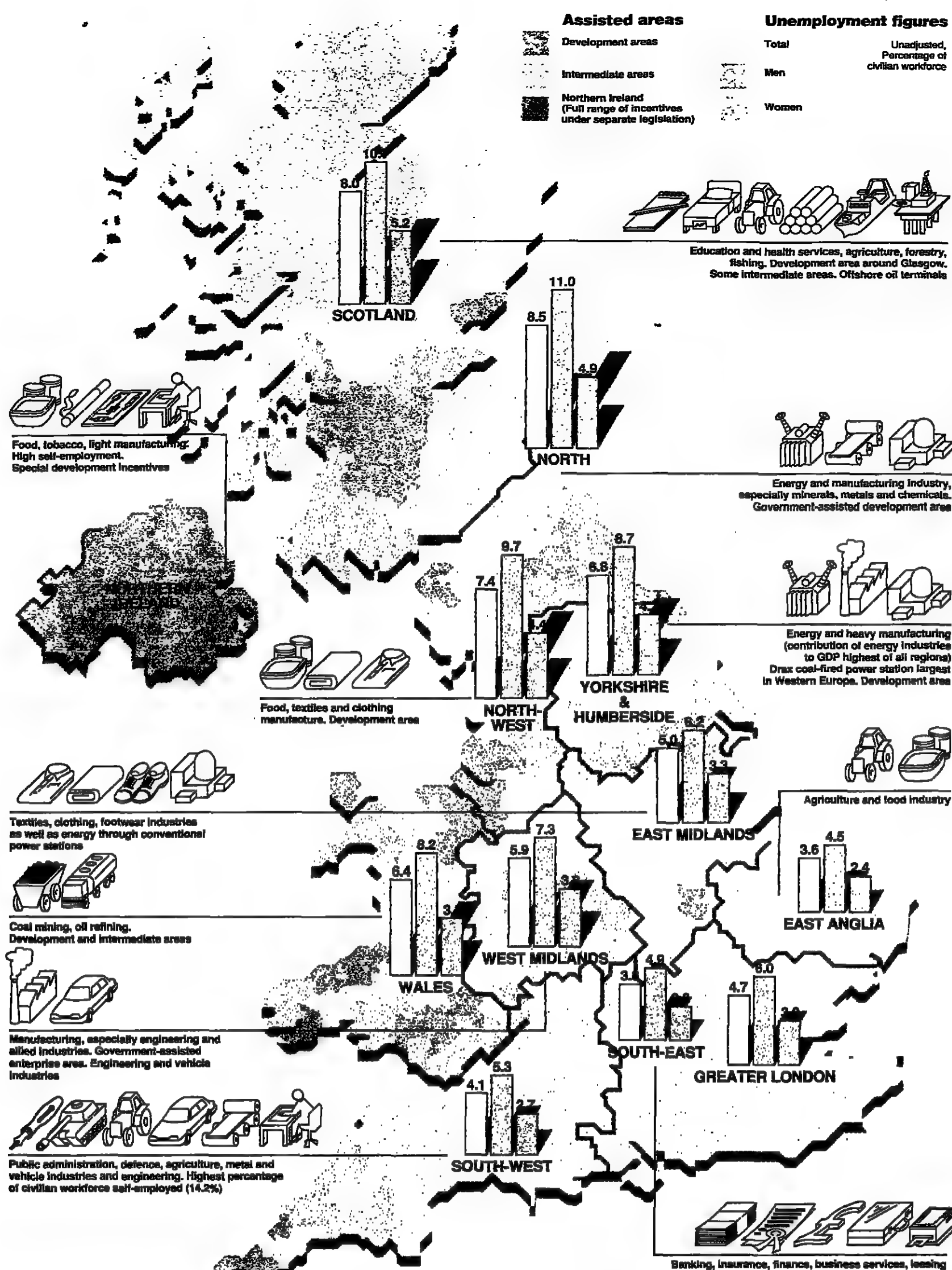
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## THE REGIONAL PICTURE



Sources: Britain 1990, An Official Handbook (HMSO), Regional Trends 34 (Government Statistical Service), Department of Employment

Graphic by Line and Line

## THE NORTH

## The action is moving up-country

The northwards trickle has swollen, writes Ian Hamilton Fazey

AN INTERESTING change occurred this year in the composition of students taking up places at the University of Manchester Institute of Science and Technology (Umist): there was a 30 per cent leap in the proportion coming from London and the south-east.

Previously, only a fifth of Umist's students were southerners, but if the change continues they will soon comprise more than a quarter of the student body.

With other universities and colleges in the north also reporting increases in applications from southerners, there will almost certainly be a knock-on effect in graduate employment markets during the 1990s.

Northern employers have long faced problems in getting enough graduates. The buoyant economy of London and the south-east has been a magnet, with a combination of labour shortages and highly paid jobs for qualified people at an early age.

The north, with its image to many of depression and high unemployment, and its struggle to achieve industrial reconstruction, has had difficulty in competing. At the same time, many northern graduates have felt they had to go to London for real career advancement - and there was some justification for this during the early and mid-1980s.

Graduates willing to work in the north have usually shared one of two characteristics: either they were born in the north, or they went to university or polytechnic there.

Both groups know the difference between image and reality. Many of those with experience of the less attractive aspects of London life - such as commuting, the difficulties faced by first-time house buyers and the financial straitjacket of high interest rates combined with large mortgages - do not want to work there.

But it's not just negative factors which are at work.

Professor Harold Hankins, Umist's principal, says of the surge in southern applicants: "The word seems to be spreading that Manchester offers a good social life at half the cost of London, plus easy access to pleasant countryside and several national parks."

Manchester probably scores with Londoners over other northern cities because of its size. With a conurbation of 2.5m people, it supports a large and lively city centre.

However, Liverpool, at the heart of the 1.5m-strong Merseyside conurbation, is similarly a 24-hour city, and Leeds, although it shuts up shop earlier, is still large enough to support an increasingly flourishing

arts scene. Another message is also becoming clear: northern industry and commerce has reconstructed itself and there are substantial opportunities for young, qualified people.

The present downturn in the south has not been mirrored in the north, especially in the M62 corridor between the M6 and the A1 in the counties of Greater Manchester and West Yorkshire. Successive quarterly surveys by chambers of commerce have indicated an emergent, transpennine regional economy, with thousands of successful companies.

Because this market is big enough for them to trade substantially among themselves, only the larger companies, with significant proportions of business in southern markets, have been feeling the draught.

Another change is also under way: there is a substantial movement back to closer links between industry and the universities, polytechnics and colleges.

Professor Hankins says that many institutions lost their way in the 1960s and 1970s because, while successive governments pressed them to push up numbers of student places so as to widen access, there was only enough money to expand arts and humanities places, which are cheaper than those for the sciences.

This diminution of direct relevance to industrial needs did not help links between industry and education. Faced with a harsher economic climate, and having to foster relevance in order to sell their services and earn their keep, the universities, polytechnics and colleges have been changing.

Several leading companies, based in the north but operating nationally or wider, have endowed chairs or funded important facilities. Ames, the construction company, and British Nuclear Fuels are examples. They have respectively ensured the academic development of project management and chemical engineering at Umist.

There are many other such benefactors, both at Umist and elsewhere. Such links also guarantee student placements for industrial experience, and these in turn are likely to lead to jobs after graduation. This will almost certainly have an increasing impact on graduate recruitment.

Professor Roland Smith, chairman of British Aerospace, says that industry is also facing up to a fundamental question. "Are we using our graduates properly? There have been antagonisms in the past between what we wanted and what they had to offer," he says.

The moral for job-seeking graduates is probably to look for companies which are developing better links with universities. These are more likely to know what they want and understand how to match what graduates can offer as well as offering long-term training and career development.

The north has plenty. The long established but reorganised Simon Engineering, which is based in Stockport but has a national and international spread of business, is typical of the new outlook.

The north is not all about big companies. Both Manchester and Leeds, for example, are characterised by a wide spread of quoted companies in ten main sectors. These are general industrial, building, engineering, textiles, food, electricals, chemicals, retail, leisure and property.

However, the 230 or so listed companies headquartered in the north as a whole are only the tip of the industrial and commercial iceberg. The Manchester-based Henry Cooke financial services group estimates there are ten times more privately owned businesses, most of them medium-sized, mainly along the M62.

Many are old-established family businesses which have survived the reconstruction of northern industry by changing well for the better, but others are new and growing. Most report continuing difficulties in finding managerial and professional staff when surveyed each quarter by their local chamber of commerce.

(Chamber research departments are likely to be good sources of information about who job-seekers might write to outside the obvious, big companies.)

At the same time, the finance and professional services sector has grown considerably in Manchester and Leeds, making the north self-sufficient in these fields as far as industry and commerce is concerned.

As Mr Peter Polman, a Manchester venture capitalist, sees it, this is a form of regional import substitution, pulling work north that was previously done in London. The trend is growing fast.

A trickle of professionals leaving London for the north has swollen into a stream in the last couple of years, while going to London for experience is no longer seen as a necessary career step for people who start in the north.

Study of the north's changing economic structure, as chronicled year by year in the FT through its regional surveys programme and news coverage, will reward any job-seeking undergraduate making the effort.

## WALES

## Too small a pond for many would-be big fish

The country labours with its image, writes Anthony Moreton

THE problem for job hunters in Wales is the small number of big employers in the country. For every company such as AB Electronics, the steel concern ASW, BP Chemicals or British Steel that employs thousands, there are thousands that employ in tens.

The larger companies take on large numbers of graduates each year. Mr Edwin Merrette, managing director of AB Electronics, based 15 miles north of Cardiff, says: "We undertake a survey of our operations to see what our needs will be over the next three to four years and our graduate recruitment programme evolves out of that study."

"This year we have taken on about 20 graduates and they will spend two years going through various companies and functions within the group. They also get a chance to work in our plants in either West Germany or Austria."

Each has a "base" company to which he or she is allocated and to which the trainee is likely to return at the end of the training period.

"If we, or they, find another part of the group would be of more value to the trainee, then we endeavour to fit them into that slot."

Graduates at AB Electronics join the company, which has some 5,200 staff around the world, at between £10,500 and £12,500, and by the age of 30 could be in the £25,000 to £30,000 bracket. Mr Merrette says the company recruits a

intake, even though the proportion applying to the company is lower. Unfortunately for those seeking jobs in Wales, there are too few companies of the size of AB Electronics. Dr David Trearne, director of the careers advisory service at University College, Swansea, says the average salary a graduate might expect in the principal city on appointment is between £10,500 and £11,000, slightly more than last year. "But the small local employer may not offer much more than £8,500, and there are a lot more of these than there are big companies. Smaller companies tend to take fewer people, perhaps just one or two, and pay them less, and this depresses what a graduate might expect, or hope, to get."

Salary levels also go down west of Cardiff, he says. The "big money" in Wales is to be earned within a short radius of the Welsh capital, with rates falling the further west and north the company is situated.

This is a reflection of pay levels within Welsh industry as a whole, which tend to be much lower than elsewhere in southern England. A recent report by a management consultancy indicated that top executives in Wales receive the lowest salaries of any part of England and Wales.

Even the big groups tend not to pay as well as companies outside Wales. At Cardiff-based ASW, a company with 3,100 staff, the highest paid director

report, but only one other director received just over £100,000. By comparison, the highest-paid director at Control Techniques, a producer of electronic control systems at Newtown in Mid Wales, which employs 560 worldwide, received £75,000 in 1988. At Hawfin, a Cardiff "mini conglomerate" covering textiles, property and building supplies and employing 357 in 1988, the highest paid director that year received £43,000 and three other directors were paid in the range of £35,001 to £40,000, again according to the annual report.

Apart from lower salaries another problem facing employers in Wales is they find it more difficult than their counterparts elsewhere in southern Britain to recruit graduates into the country. This summer, NatWest bank took 10 graduates from Swansea university alone, and Ford took 13, nearly all of them will go to posts in England.

"Nearly every company would find it difficult, even if they had the resources, to do the reverse and bring graduates in large numbers into Wales," said one industrialist.

"We can recruit graduates born in Wales who want to return here after working in England or elsewhere. We can recruit graduates born outside Wales but who have been educated in the country. The rest is difficult."

Reversing the Welsh diaspora, Mr Roger Thomas, of agents Cooke and Arkwright, now part of Lloyds Bank-owned Black Horse Agencies, points to Mike Hall, the Welsh rugby international and Cambridge blue, as a recent recruit. The

estimating they could be on at least £25,000 by the time they are around 30.

Mr David Waterstone, who stepped down last month after six years as chief executive of the Welsh Development Agency, says the greatest problem people have is their perception of Wales.

"Wales is the most marvellous place in which to live and work. Unfortunately, too many people still think it's all about coal mines and steel works. It's not. If we could only get that message across then it would be easier to bring the very best people to Wales."

Mr Waterstone should know. A Scot, he has lived and



Mr Edwin Merrette of AB Electronics, one of few big employers

## SCOTLAND

## There are too few jobs

James Buxton looks at why graduates cross the border

YOU have a good chance of finding a satisfying job if you are graduating from a Scottish university this year. The market for graduates is good, and employers respect those who emerge from Scotland's eight universities.

But the job you settle for may not be in Scotland. For many graduates this does not matter very much, but others are disturbed that a disproportionate number of graduates from Scottish universities move south for their first jobs.

This partly reflects the fact that Scotland cannot provide enough satisfying jobs for all the graduates it produces.

Roughly 5,000 Scottish graduates obtain jobs in the UK each year, according to statistics collated by Mr Douglas McEachan of the careers service at Edinburgh University. About 3,000 of them stay in Scotland and 2,000 go to England. Of the 5,000, all but a thousand were domiciled in Scotland in the first place. If you assume most of the English-domiciled students would return to England anyway, about a thousand Scottish-domiciled students are moving south.

Furthermore the trends appear to be growing: at Glasgow University, the biggest in Scotland with nearly 10,500 students, some 16 per cent of Scottish students left Scotland to take up their first jobs; in 1988 that figure had gone up to 33 per cent.

According to Mr McEachan's study, public service (mostly government and local government) took 22 per cent of Scottish graduates in 1987/88 while

turing, 18 per cent into financial services and 14 per cent into commerce.

Not surprisingly, high percentages of those going into government service and the NHS (72 per cent and 87 per cent) took employment in Scotland. In finance the proportion was 75 per cent and in commerce 67 per cent. In manufacturing it was only 55 per cent.

You should not read too much about individuals' preferences and decisions into those 1987/88 statistics. But if you look at employment in the private sector you can assume that if you want a job in financial services in Scotland (banking, life assurance, fund management etc) you should have a good chance of obtaining one. In manufacturing, your chances are less good.

This may reflect the fact that manufacturing in Scotland is increasingly composed of branch plants owned by companies outside Scotland, while the number of large companies with their headquarters in Scotland has been diminished by takeovers. Only a few branch manufacturing plants in Scotland offer work in research and development, for example, although most offer good jobs in production management and other fields.

GEC Ferranti, which employs about 7,000 people in defence electronics around Edinburgh, is one of the relatively few electronics companies in Scotland which carries out research and development. It normally recruits from universities in Scotland and the north of England. With the downturn in the defence industry,

instead of the 80 to 100 recruited in past years.

Even if you set your sights on obtaining a job with a Scottish company or institution, don't forget that the bigger Scottish employers will be looking for recruits outside Scotland as well. They are also likely to expect their employees to work anywhere they are asked to go, which may be a lot further from Scotland than London.

Graduates should consult the Register of Graduate Employment and Training in Scotland, known as Rogetscot. In it, companies at Rogetscot Semiconductors to the Bank of Scotland explain what types of graduates they want, what work they offer and how to approach them. Many smaller companies advertise too. Rogetscot can be obtained from your university careers service, whose advice and information you should anyway seek if you are looking for a job for next year.

If you are able to obtain a job in Scotland will you be paid less than if you went south? Big companies like Royal Bank of Scotland pay the same starting salary to its new recruits wherever they are; the extra allowance for employees in London should only compensate for the higher cost of living in the capital.

Smaller organisations operating only north of the border may pay less than equivalents in the south. But good graduates are valuable anywhere. Those who obtain posts in Scotland may find the cost of living somewhat lower and the quality of life rather better.

مركز البحث العلمي



# The reassessment

THINK AGAIN

## It's not true the world's against you

James Abbott offers advice to the still-unemployed

IT IS early December, and the festive season is fast approaching. Christmas cheer is all around - but for the graduate who left university or polytechnic five months ago and is still without a job, it is hard to raise a smile. All that hard work to earn a degree, and now picking up the same dole money as 16-year-olds.

A depressing scenario indeed - although not a very common one in recent years, as companies have failed over each other to grab all the graduates going. Alan Catherall, a careers adviser at Manchester University, reckons that by Christmas only about 5 per cent of graduates are not fixed up.

The tight labour market for those with degrees may have eased somewhat this year, but demand is still strong compared to a decade ago and there is usually some reason, not too difficult to detect by careers advisers, why a particular individual is left without a job.

A common problem is that the young person does not really know what he or she wants to do. This quandary tempts many to take off for Australia or other far-flung

shores - "but in my experience they find it more difficult rather than easier to decide what they want to do when they come back", says Mr Catherall.

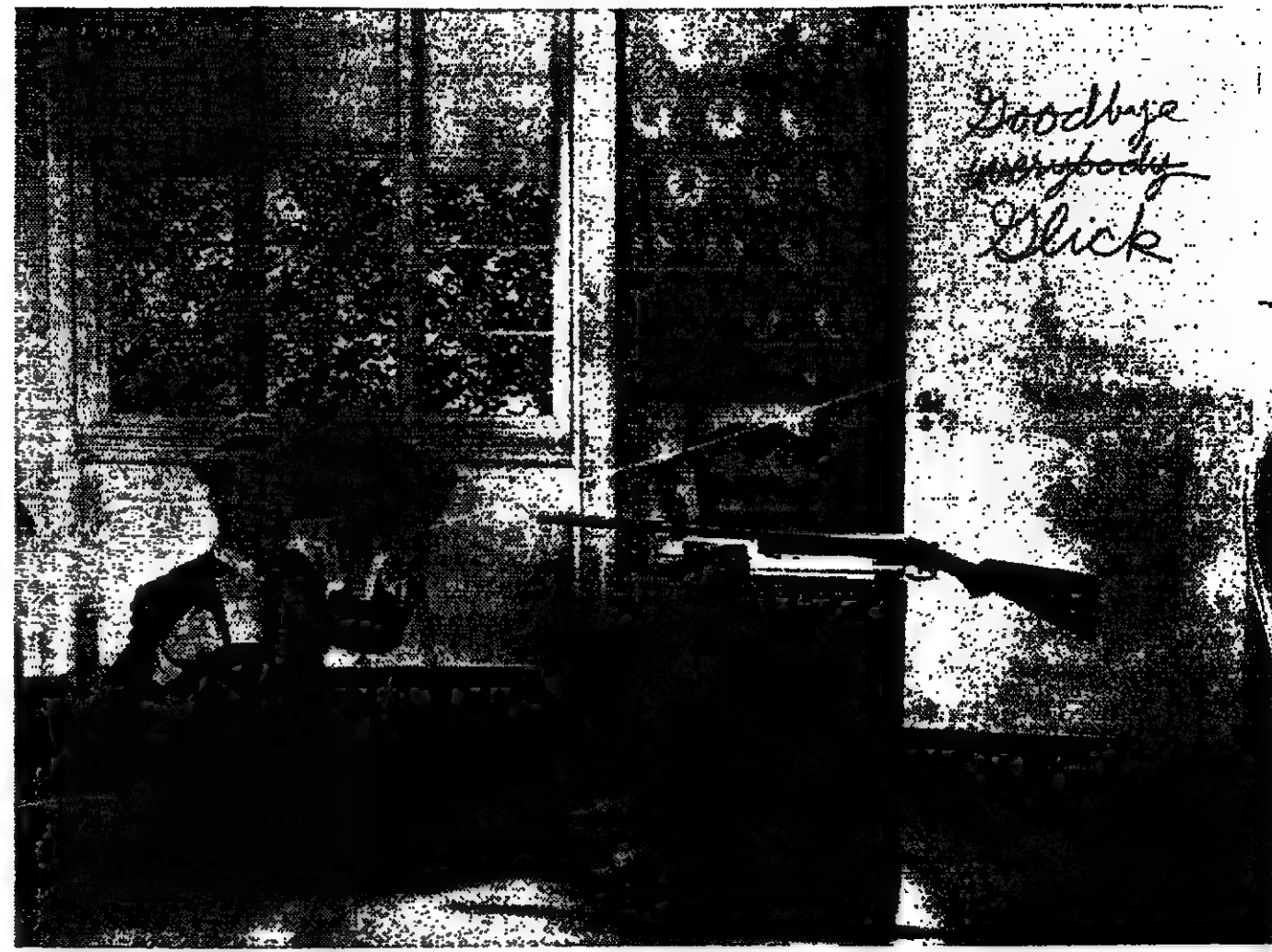
"You've got to know yourself: know what you want out of life," Brian Steptoe, director of the University of London Careers Advisory Service, advises these jobhunters. He recommends graduates submit themselves to interrogation by one of the graduate career computer programs to sort out some of the basic questions (such as: Do you want to work with figures? On your own or with other people?) and to come up with broad categories of suitable employment.

Some unemployed graduates do know what they are after - but are trying in a very difficult field. Although in general there is plenty of demand for degrees, in some highly specific areas - such as textile design for instance - applicants far outnumber vacancies and there are inevitable disappointments. In cases such as this, careers advisers will try and gently steer unemployed graduates around to considering less competitive options.

Another problem can be that graduates are being too ambitious about the geographical areas they are prepared to consider. Ian Hodges, careers adviser at Exeter University, finds this a common difficulty, with many Exeter graduates electing to stay in the area because they find it attractive or because their girlfriends or boyfriends are in a lower year at the university - but the area may offer few openings for graduates in their field.

For young people who have been applying in areas where there are plenty of vacancies but have still not had any luck, the answer may be simple but unpalatable: they do not appear very employable. Quiet individuals who have not undertaken many extra-curricular activities and have emerged from higher education with a lacklustre degree do not appeal to many employers.

Shyness is a common problem, but hiding one's light under a bushel, from the employer's side of the interview table, can mean an instant mental reject slip. "Everyone is after the holy grail of the high calibre candidate - and what distinguishes



Don't do it! Those despairing at still being unemployed some time after graduating could find help if they looked in the right places

them is that they are often highly communicative," says Helen Perkins, who chairs the Association of Graduate Recruiters and is head of management development at accountants Price Waterhouse. While it would be over-optimistic to expect to be able to change someone's character overnight, careers services can offer some help for the shy interviewee. Many run seminars on self-projection, and dummy interviews can also help.

As a guide to the unemployed graduate, Brian Steptoe of the University of London offers the following advice: ● Monitor the vacancies in Current Vacancies (a joint publication of all degree-awarding institutions), national and local press and specialist publications such as Nature. Don't

check only the Sits Vac columns - watch also for news of business expansion where speculative applications might be welcomed. ● Review how you are marketing yourself. Does your curriculum vitae do you justice? Do you project yourself well at interview? ● Consider taking a job that is not your first option in order to get some work experience.

This would show potential employers in your chosen field a degree of motivation. Above all, Mr Steptoe says, be prepared to put some time in to getting the right job. Given that it has taken three or four years to gain a degree and that a career will span as many decades, "it's not illogical to have to spend 30 or 30 hours on career choice", he says.

THE Master of Business Administration degree is becoming a prerequisite for good quality managers in the UK.

Although the degree is nowhere near as popular as in the US, where more than 70,000 MBAs graduate, numbers in the UK have more than doubled from 1,100 in 1980 to 3,640 this year.

So what can we expect to learn at a finishing school for managers?

According to the London Business School prospectus, "The central concept of the programme is that management can be taught as a unified body of essential management which can be applied to any organisation."

The MBA degree represents a significant investment. Most graduates can expect a starting salary of not much more than £27,000 and a debt of as much as £25,000 for full-time students. However, according to David Penwarden, director for external relations, EAP School of Management in Oxford, they "catch up very quickly" and the degree is perceived as a ticket to financial and business success.

One of the considerations for a potential student is whether an MBA is ideally a postgraduate or post-experience degree. In the UK, most students have some experience.

The Association of MBAs, the graduates' lobby group, says the average age of full-time students is 27, with part-time students averaging 32. The typical MBA is a 27-year-old male graduate with six years' work experience. Only 20 per cent are women.

As Janet Dobson, information officer at the IBS, points out, students can range in experience from the sons or daughters of managing directors who have "gained their experience at the dinner table" to those who have been in the market for as many as 15 years.

Because of the nature of the IBS course, where students work closely in small groups,

THE MBA

## A ticket to success

It's a big investment - but worthwhile, writes Lynne Wilson

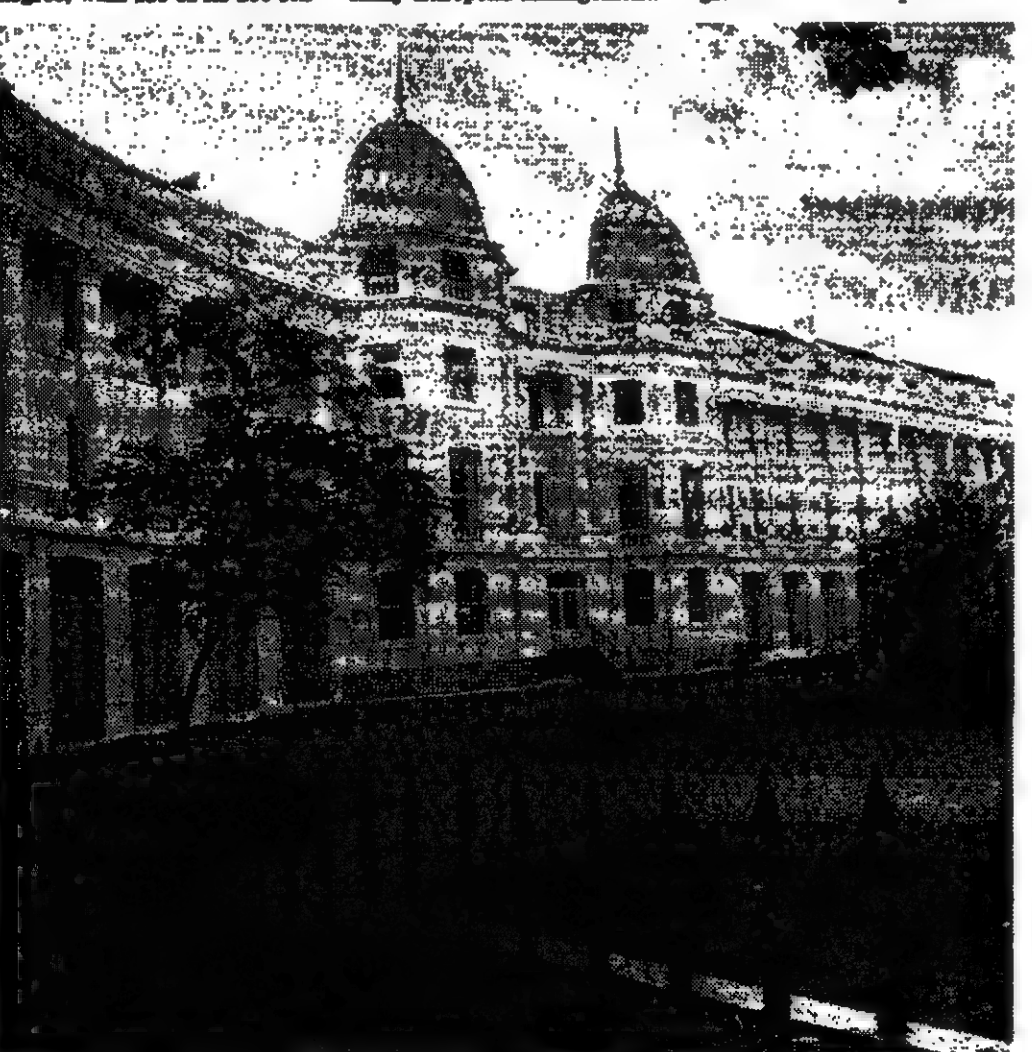
experience is an important factor in the interview learning process.

Not all schools list experience as a prerequisite. The EAP School of Management places more of an emphasis on the MBA as a postgraduate degree, with 180 of its 200 stu-

dents starting in September hoping to obtain an MBA before entering the market place.

The course, linked as it is to the EAP schools in Paris and Berlin, places a strong emphasis on international and especially European management.

The students themselves reflect this bias, with only 20 of the postgraduate students coming from Britain. One of the prerequisites of the course is fluency in French or Spanish, so the British students tend to be modern language graduates. The experience of



The London Business School, where work experience is central to the MBA learning process

the foreign students is more varied, reflecting the greater emphasis on business studies in European universities as much as a multilingual background.

David Penwarden has noticed that very few of the post-experience students have been sent on the course by their companies. "Almost all MBAs are self-nominating," he said. "The onus is on the individual to apply, but of the 20 students starting in September, half have since obtained full sponsorship from their companies."

EAP had what Mr Penwarden described as a "false start" when setting up its UK school. It approached management development specialists in a search for potential students, "but they didn't have enough clout to pull the right people out of the line," he commented.

Is there life after an MBA? "Most graduates are recruited by strategic and management firms, and several have joined design consultancies," Janet Dobson said. "But, thanks largely to that £25,000 debt, it's usually five to ten years before they start their own companies."

A vital reference book for prospective students is the Association of MBA (AMBA) Guide to Business Schools. This includes all 73 of the UK schools as well as the top courses worldwide, and aims to give an independent perspective on each. It also gives invaluable advice on methods of financing study.

The guide does not include in-house MBA programmes, such as those offered to management staff of Coats Viyella or Unilever. The Association believes that corporate MBAs suit individual companies but may not be marketable or transferable.

"The Association of MBAs' Guide to Business Schools, edited by Dr S J Pallwoda, published by Penguin, £11.95, from AMBA, 15 Duncan Terrace, London N1 6BZ. Telephone (071)837-3378.

TOPPING UP

## What next?

Phillip Halliday on further training

GRADUATES who are having difficulty finding the right job may be tempted to top-up their degrees with additional qualifications. However, what may seem like a perfectly sensible course of action may not necessarily open the doors to the jobs market.

In 1988, according to the Association of Graduate Careers Advisory Services, 23.2 per cent of university graduates and 15.4 per cent of those graduating from polytechnics went on to do further study; either academic or full-time training courses.

There are good vocational reasons for putting off the leap into a full-time job. Some careers demand professional certificates or diplomas, such as the Postgraduate Certificate of Education for teachers; or post-degree training can allow a change in job strategy. A career in law, for example, does not necessarily require a law degree. Many graduates who enter the legal professions have degrees in subjects other than law and acquire their knowledge through courses, mainly funded by law firms.

What are the options? Further education is fairly easy to get but costs vary from the reasonably cheap, through local authority adult education institutions and colleges of further education - to the more expensive post-graduate degrees and courses at private colleges.

A good starting point is your local authority. This will offer full and part-time day and evening education and training courses at low cost. Many local authorities offer a careers service as well. Night schools are inexpensive and provide flexibility. The London borough of Southwark, for example, says that as a general indication of cost, a typical year's non-vocational course would cost £38 for 2 hours a week for 30 weeks' tuition - approximately 60p an hour. Vocational courses range from £2p to 70p an hour. However, students who travel across local authority boundaries may have to pay a higher fee unless the councils have reciprocal arrangements.

A post-graduate degree may be seen as simply delaying the inevitable, but it can be part of planning to open previously closed doors, especially in academia and the public sector. In Britain about one in five undergraduates takes up post-graduate study.

However, some employers question the motives behind embarking on a further degree in much the same way as they do with mature students. The post-grad student runs the risk of being stereotyped as lacking career direction or motivation or being reluctant to face the real world. More importantly, post-grads may find themselves branded as over-qualified.

The post-graduate path is an expensive one. Most post-grad funding comes from local authorities, government departments, industry or research councils. But getting the funding is tough and it is getting tougher - only the PGCE grant is mandatory.

The DOG Guide to Postgraduate Study, available from careers advisers is a compre-

hensive guide for finding the right degree at the right institution. It covers general areas such as methods of application, funding and employment prospects.

Private colleges offering business courses or computer training, for example, are expensive and cater mainly for bookings from companies. The private college option widens the range of choice at a time when many of the more popular local authority-run courses are becoming fully booked.

MBA courses are rapidly gaining in value and popularity and are seen as one of the surest paths to degree enhancement - but they can be expensive. The Open Business School, part of the Open University, may be the answer if the price of an MBA is an insurmountable barrier.

The OU offers a three-tier business course - Certificate of Management, Diploma of Management and MBA - with prices ranging from £2,000 for the certificate to £5,000 for the MBA. Most students gain an MBA in 3 to 4 years, but can take up to 6 years. A prospectus for these courses can be obtained from the OU.

The MBA is no longer seen as a glamour degree, but is aimed at an increasingly professional management sector in the UK. As one Open University MBA student put it: "The CV is beginning to look at bit bare without an MBA."

The government has no official policy towards post-degree training because it is optional, but the Department of Education does encourage further training. The department advises students who feel that their degree is inadequate to "make a career choice, then find your specific course - it pays to shop around".

The choice seems to be between building on your degree or going to the labour market to get the best that you can. Helen Perkins, chairman of the Association of Graduate Recruiters, the employee body with a membership of 550 companies, urges caution before graduates take the top-up trail, especially for those graduates who are having difficulty finding their first job.

She says well over 40 per cent of career opportunities are non-degree specific so it is unlikely degree discipline is blocking getting a job.

"I would be worried about unnecessary topping-up. It may revive flagging spirits in the search for the right employment, but a better strategy would be to seek careers advice. Our advice is find out why you have not got the job. Go back to the company after the interview process and ask the personnel manager. Most companies are helpful and will offer advice."

"The question to put to the company has to be: 'can you advise me about getting a job, not 'why did you reject me'?", says Ms Perkins.

Topping-up your degree may be the platform to launch into a career but opinions are divided over its value in the jobs market place. However, further education is not just a tool, and can still be approached for reasons other than getting work.

JOB AVAILABILITY

## ... So who is interviewing whom?

The cocky mood on campus might be a little misplaced, writes James Abbott

ARE graduates so thin on the ground that they are worth their weight in gold? One might think so from the cocky mood there has been on campus, buoyed up by record rates of recruitment in recent years.

But some careers professionals, such as Brian Steptoe of the University of London Careers Advisory Service, sound a note of caution. "All this talk of employers queuing up to recruit just anybody - of students interviewing employers - is a load of rubbish," he asserts, although he does concede that there are one or two disciplines, such as electronic engineering and computing, where graduates are instantly snapped up.

But for the generalist - such as the arts or social science student - Mr Steptoe advises that the job hunt has to be pursued with determination to be sure of winning a satisfactory post.

His recommendation is reinforced by a worrying trend revealed in figures produced by the employers. The Association

that in the first half of this year there was a 3.5 per cent fall in vacancies.

That fall, though, is from a high starting point - and there is no question yet of another era of gloom and despondency for graduates such as was seen in the early 1980s.

"Graduates are still into a pretty cheerful market - certainly compared to other people coming into the jobs market for the first time," comments Brian Putt, Director of the Central Services Unit for Graduate Employment, which publishes a fortnightly list of current vacancies for graduates.

Mr Putt published his fastest-ever vacancy list in February 1989, and the lists stayed long for the following twelve months. But he reports that vacancies are now appreciably down, with the lists about 15 per cent shorter than a year earlier.

Those that are waiting for demographic factors to swell the lists again shouldn't hold

baby boomers are now out of the higher education sausage machine, and the universities and polytechnics are currently drawing on the shrunken birth rolls of the 1970s. But mature students and minority groups are stepping in to fill the places left by the infertile middle classes, keeping up the output of graduates.

Today's graduates can take heart from the fact that some areas are running counter to the general downturn, with demand for graduates from the accountancy profession, for instance, up on last year. Also, some firms have taken strategic decisions to substitute graduates for school leavers in their trainee intake; Barclays Bank is one company taking this course.

But in industry generally, adverse economic forecasts have led to increased caution. "Graduate recruitment is the most fickle of labour markets," comments Helen Perkins of the Association of Graduate Recruiters.

She attributes the recent

to the economic situation, but also to a change in fashion.

Over the past five years, she says, firms that were not traditional graduate recruiters jumped on to the bandwagon and took on young people with degrees just because it was the "done thing" rather than to fill a specific need. This led to several jobs for graduates in small and medium-sized firms in retailing and other areas of the service sector.

With the squeeze on high street spending, "some of those (firms) are reassessing their needs", reports Ms Perkins, with a drop in vacancies.

Longstanding recruiters, though, are in many cases keeping a steady course through the present choppy economic waters, reckoning that maintaining their intake of intelligent trainees is the most sensible policy in current conditions. One such blue chip recruiter, John Akehurst of Shell International, reports that: "We tend to stick with a longer-term perspective - with the ups and downs in the economy we tend to recruit the

same numbers (of graduates)." Shell has a policy of taking on technologists and training them appropriately for non-technical areas such as personnel; about three quarters of the company's graduate intake have technical degrees.

This is bad news for the generalist, but there are plenty of other employers interested in a non-technical degree. A recent independent research study on attitudes to the employment of classics graduates casts light on the sort of qualities employers are looking for - all of which can be displayed by an arts or social science student.

In roughly this order, recruiters in the study sought academic excellence; good communication skills (written and verbal); numeracy; interpersonal skills; leadership and teamwork; personality factors such as determination, commitment, flexibility and common sense; management skills; and commercial enterprise.

"If a person has the right qualities," the study concluded, "the discipline is secondary."



# The obstacles

IMAGINE you are watching the start of a new television series featuring an "ordinary" couple: a school teacher and a mechanical engineer. Must be a sitcom - the husband is the teacher, his wife the engineer. Hey, Mum, leave the dishes; sit down and relax. This looks quite good.

A serious script might make it better, but perceptions of men and women at work, and public attitudes to "non-traditional" roles in society in general, make that a risky business (pace the Prime Minister).

On the up-side, the Association of Graduate Careers Advisers is developing material aimed at equal opportunities; and the committee of vice-chancellors lends its weight to "milk round" procedures stressing merit, not gender. A good deal of company recruitment literature and selection methods now shows a more acceptable approach to women.

Of course they do. Demographic trends indicate shortfalls in skilled labour at all levels, including employment requiring further and higher education. Not since the Second World War have women been so plausibly wooed to work outside their homes. Companies and firms like Shell, Ferranti, Coopers and Lybrand, Unilever, ICI and British Gas now know there is a need to recruit from the full pool of available young talent, not merely the male half of it.

Mr Chris Fernie, of the education and training unit at the Equal Opportunities Commission headquarters in Manchester, takes a hopeful, almost gung-ho view of women's chances in today's graduate job market: "There is a definite accent - for example, in big retail companies and in banking, where specialist skills are at a premium - on providing working conditions in which a woman might be supported through a career break to establish her young family."

Well and good. But only this summer (July 1990) Mr John MacGregor, the UK Education Secretary, wondered aloud why the proportion of women in computer programming and analysis, to take just one sup-



Women such as Air Europe first officer Lynne Edmonds can - and do - break sexual stereotypes. But it's an uphill battle to reach the top

## WOMEN

# And now: jobs for the girls

... But the old boys still have a depressingly strong hold on the market, writes Gay Firth

posedly female-friendly, specialised line of work, has stayed at only 20 per cent since 1961. Between 1986 and 1988, A-level graded results in computing were gained by 1 per cent of male graduates but only 0.9 per cent of female graduates, and the proportion of women gaining first degrees, postgraduate degrees and diplomas in com-

puting had not generally risen beyond 20 per cent of the total. This is "puzzling and disappointing," Mr MacGregor said. "Why are women so under-represented in what looks at first sight a very attractive industry? The world of computers allows for flexible working hours and home working."

But it's not that puzzling:

old-fashioned sex stereotyping (too few women teachers in the subject, peer group and family pressure, computer studies equated with technology, therefore an assumed male preserve) is at least part of the problem.

Notwithstanding the Sex Discrimination Act 1975 and a raft of other legislation applied to

women in employment, progress towards equal opportunities at work remains more a triumph of hope than of experience.

Women at work present a ghetto pattern. "Job segregation" is the polite phrase for it: "pink collar", if you like. At all levels of employment, women are still being guided into and

are still choosing careers traditionally associated with "women's work".

Mind you, a mould-breaker can have her enthusiasm drained by a working life handicapped by conspicuousness - to say nothing of endless testing, even of the friendly and well-meaning variety, from male colleagues.

It is only realistic to point out that, for women, the gap between entering an interesting career with positive prospects, and turning those prospects into reality, remains wide.

The report of the Hansard Society commission on Women at the Top, published last January, paints a wide-focus, well-researched, devastating picture. But it should be required reading, even if it does end in tears.

From public service to the private sector and all stations in between - the law, the judiciary, the universities, broadcasting, print media, corporate management (including board appointments), trades unions, political candidacies, appointments to public bodies of "the Great and the Good", parliament itself, and a galaxy of individual companies - the publication is a catalogue of high-flying female failure to break through the "glass ceiling" between legitimate aspirations to senior jobs and arrival in senior jobs. It is a list of feminist angst to diminish its authority - it is not so much a cautionary tale as a late 20th century call to arms.

Women can and do become accountants, scientists, solicitors, airline pilots, engineers. You name it - almost - and you can do it.

However, "the right qualifications" almost certainly means, still, a better class of degree than that expected of male graduates. "The right persistence" means the courage required to say no thank you to potential employers still more accustomed to placing women graduate recruits at typewriter than in graduate trainee schemes (watch those employers in the "creative and media" professions). "The right contacts" may mean your own efforts to locate friends a year or two ahead of you at university, now with their working feet on the first rung of where you want to be.

"Old boy networks" have been built over generations. "Old girl networks" have scarcely begun.

## FIFTEEN YEARS ON

# Prejudice remains

Equal opportunities are still a dream, says Deborah Hargreaves

IT IS 15 years since discrimination in the workplace was outlawed by the Equal Opportunities Act, but there are still precious few women directors or company chairmen around to bear witness to the fact that women are moving more quickly through companies' promotional ranks.

While employers can no longer discriminate overtly against women, strong prejudices remain - particularly among the middle-aged men who head most big corporations - and the odds can be stacked against female employees in many subtle ways.

There are now very few jobs that women cannot do. Last year's Employment Bill removed some of the final barriers to women in a number of traditionally male jobs - for instance by allowing women down mines and on to North Sea oil rigs. Employers can only discriminate for reasons of decency and privacy - for example, women are not permitted to work in male toilets - or for authenticity. A theatre group can ask for a Lady Macbeth, for example. There are exemptions for the Armed Forces, and women are still barred from handling some nuclear materials.

Women can come up against entrenched attitudes as early as the interview stage for a particular job. Female candidates are not required to answer questions, however, that could not equally be asked of male applicants. The advice from the Equal Opportunities Commission is if an interviewer is pursuing a particular line of questioning it is to point out - in as polite a way as possible - that you know the law does not require you to answer

these sort of questions.

Women graduates get a better deal than most when actually applying for jobs - they are generally treated as equal to their male counterparts and are paid well. However, problems can arise later in terms of career progress and promotional prospects.

"Even if a woman has made a conscious decision not to have children or has made arrangements for childcare, when employers are given a choice between a man and a woman for a promotion, they tend to presume that the man will be the better deal," says Ms Fiona Fox at the Equal Opportunities Commission.

For this reason, women often have to have a very clear idea of where they want to go in a career and have to do a lot to help themselves without relying on the company hierarchy to map a career path for them. Mr Jim Platt-Higgins, head of recruitment at Esso, the multinational petroleum group, says he is trying to draw attention of people in the corporation to the fact that they may discriminate against women subconsciously.

When men are appraising women, they have to judge how far that woman will go in the company, Mr Platt-Higgins says, but if there are no role models against which to judge them - most senior positions are held by men - they may have a tendency to underestimate a woman's potential.

"Women are still in the adaptive mode, having to make sure they are projecting the right profile to a predominantly male hierarchy," says Ms Helen Perkins, head of management development for Europe at Price Waterhouse and chairman of the Association of Graduate Recruiters.

She believes women will find it difficult to move up the ladder until companies adopt non-sexist appraisal schemes where competency is assessed as objectively as possible.

It is often the more traditional engineering and manufacturing companies in the UK where prejudices against women are strongest. Ironically, these companies are trying hard to attract women and often have their own working parties looking at how best to encourage female employees.

However, until entrenched attitudes and training patterns in some of these companies change, women will still be put off. "These companies have got to start taking risks and put women in senior positions," says Ms Perkins.

Engineering companies often take the view that unless young graduates can manage a gang of male workers on the job, they are not going to progress at the company. "For women this is deeply challenging and not very rewarding," says one recruitment adviser, "but many male graduates don't like this approach either and I don't think it's necessarily a good way of using graduate talent."

Women do at least have demographics in their favour - as the birth rate declines women will play a greater role in company life. Many of the financial services companies which have traditionally relied on female labour are recognising this and making an effort to retain female employees.

At the forefront is Midland Bank, where 58 per cent of the workforce is made up of women. Last year, the company launched an initiative to try and retain its female employees which included a programme to provide nearly 300 crèches across the country. The company sees its initiative as central to its efforts to promote more women to managerial positions. The number of senior women at Midland has increased by four per cent in the past three to four years to 19 per cent, and the company has a woman on the board.

Women graduates must be very aware of self-development, says Ms Perkins. Women can tend to sit back and let things happen, but if they are to get to the top, they have to develop a "male" career track for themselves.

Ms Perkins' favourite advice is beware of Mr Equality. She says women can get sidelined into departments which are headed by men who set themselves up as champions of women's rights. Often it is a way to build a strong department, and women get stuck there with little chance of being promoted outside of the

MS NATASHA Wiesenthal spends her days cooped up underground working in a confined space with a gang of men. It is dirty, gritty, hot work. She can often be underground for eight or nine hours at a stretch.

As a mining engineer on the Channel tunnel, Ms Wiesenthal is one of only a handful of women to work underground since last year when the UK changed its laws allowing women in to mines.

When Ms Wiesenthal started her degree in mining engineering at Imperial College, London, there was still no question of a woman being allowed down a mine in the UK, but that did not deter her in her quest for a varied job. In her summer holidays she worked at an iron ore mine, and a mineral sands mine in Australia, a quarry in Scotland, and a gypsum mine in Austria.

She relished the chance to join such a unique project as the Channel tunnel and stresses that - in spite of the working conditions - she has never been tempted by the lure of an office job.

As an engineer overseeing part of the hand tunnelling work on the project, Ms Wiesenthal is responsible for supervising the engineering side of the miners' work. She works closely with a gang of miners who, she says, respect her for the job she does. "They have the occasional joke - you just have to have a reply up your sleeve and not let it get you down."

The job involves a lot of walking around the tunnel but Ms Wiesenthal insists it is not physically hard work. "I've picked up a shovel and done some shovelling and helped to lug wood around. Obviously, I can't lift a 50kg bag of cement, but I'm not there to do that."

She believes there are a lot of women who enter male-dominated careers only to leave later when they get no nurturing on the job. For this reason, "you've got to be extremely determined - if things become easy, I get suspicious."

● ANOTHER woman who doesn't want an easy job is Ms Alison Ingram, the only female profit centre manager at British Rail. She is responsible for ensuring that trains run on time in the Cardiff, central, and West Wales area and, as importantly, making sure they stay within their budget.

With a degree in history, politics and economics from Southampton University, Ms Ingram chose BR's training scheme over a job at Midland Bank mainly for the variety it offered. She has since moved around the corporation, becoming the first woman to take each of the previous two BR jobs she has done. Her first position was station manager, at Grove Park, near Lewisham in London, where she was in charge of 70 people and a branch line to Bromley. After that she worked as performance manager at Brighton



Channel engineer Natasha Wiesenthal: "You have to be extremely determined," she says

## BREAKING THE MOULD

# Women who win in the world of 'men's' jobs

Deborah Hargreaves talks to women who get their hands dirty

four years after joining BR.

She presides over the scheduling of train timetables in her region, allocates resources in the form of people, and trains, and works out how much it will all cost. She also has to check on safety. Much of her job consists of monitoring the running of the trains which she often does by personal observation. "I try to travel as much as I can on the train because you hear what people are saying."

As part of her job, Ms Ingram must motivate a staff of mainly middle-aged men who have come up through the ranks of the railway and, although they are very gentlemanly, can be resistant to change. "It is sometimes difficult to convince them you've got a better idea. My inclination is towards consensus management and sometimes I think I go too far - some of them have never been consulted before."

"In the end you have to say, well, this is what we'll do." For many, it is a major culture shock to be working with a female boss, Ms Ingram says. Although the majority will respond once they are convinced you know the job, "it dawned on me in my first year that some people will just not accept that I can do it because I'm a woman."

BR is trying to attract more women into the railway, but it is only realistic to point out that, for women, the gap between entering an interesting career with positive prospects, and turning those prospects into reality, remains wide.

Ingram's advice to trainees is to choose a boss carefully - one who will be supportive.

● Ms Meg Jollands works as a plastics engineer at Dow Chemical in Germany, conducting research into foam products and then running trials at a production plant on the other side of the Rhine in France.

As a young woman, she runs up against double reservation on the part of the predominantly male workforce. "They are always concerned that a young engineer doesn't know what he or she is talking about, and perhaps they are a little more concerned because I'm a woman."

"When I'm doing a trial, the way I approach it is to ask them to help me do something and they like to help."

She says her male colleagues tend to be more assertive in management style, but they do not necessarily get better results. "I have some advantages over a man because they always remember who I am and are often happy to talk to a woman."

higher status than they are in the UK and can earn more. For her, engineering is a vocation. She advises other women not to be put off by anti-female bias because the rewards can be great.

● ALISON BURKETT does not mind scrambling over machinery and getting her clothes dirty. As an electrical engineer at British Steel she spends a lot of time sorting out problems that occur in the rolling mill at Workington. It can be mucky work.

"Initially the men I worked with were apprehensive at working with a woman," she says, "but when I went on shift work, it was very much hands-on work and once they saw me crawling over the machinery, they accepted me."

Ms Burkett first got involved with the steel industry in a summer job from her degree course in physics at Edinburgh University. After that the company decided to sponsor her and she joined British Steel as the only woman engineer four years ago.

Last year, she was chosen as one of two graduates to benefit from BSC's exchange programme with Japanese steel-makers and spent three weeks at Sumitomo Metal Industries. "Women have got to be prepared to get in among the equipment and not to be intimidated."



مركز التنمية



ETHNIC MINORITIES

# Goalposts keep on changing

Khozem Merchant on the problems facing blacks and Asians

"ETHNIC minority graduates find themselves in a competition for jobs without being told the rules," says a Commission for Racial Equality study. The report argues that as Asian and black graduates make themselves more employable by obtaining degrees and more so the goalposts in the labour market are moved.

Yet even after getting through the front door, black and Asian graduates are less likely than whites to be in their preferred jobs, says the report. And they are offered fewer promotion and training opportunities, in particular those that would elevate them to managerial status.

The CRE report, which builds on its 1987 publication on the same theme, is based on interviews with several hundred 1985 graduates on their job experiences three years after graduating. The report states:

■ Black and Asian graduates made significantly more applications than white counterparts. They also attended more interviews before securing a job offer.

■ All ethnic minority graduates face a greater likelihood of being unemployed after graduation than white graduates (17 per cent more in September, 16 per cent in October; and 13 per cent in November).

■ Ethnic minorities tend to be concentrated in polytechnics which employers continue to overlook in their graduate recruitment drives.

■ Among minority graduates, African (18 per cent), Caribbean (37 per cent), Asians (29 per cent), and East African Asians (31 per cent) believe their ethnic origin hinders their job prospects.

The report concludes that although there is some racial discrimination in the graduate labour market, there is no evidence to suggest that it is direct or intentional. Rather, it says, any discrimination is due more to the "British generalist" tradition which puts a premium on personal and social characteristics.

The upshot, says Mr John Brennan, co-author of the report, is that companies are not getting the right people because they recruit from a few top, unrepresentative universities. "If they looked around they would be able to match their needs more precisely to what is being produced."

"Certainly some leading companies are taking the problem seriously in so far as they are developing policies and monitoring their implementation," says Mr Brennan. But, he adds, the changes amount to a tinkering rather than an overhaul of strategies.

The rethink on recruitment practices has been one of the tasks of the Association of Graduate Recruiters, the umbrella group for graduate recruiters which includes some of Britain's biggest companies. Yet at this year's AGR conference, the subject was not even discussed.

"What concerns me is the air of complacency. I detect a feeling within the AGR that because of the general graduate squeeze in the 1990s, the problem of black recruitment might resolve itself," says the CRE's Mr Paul Stephenson.

But Mrs Margaret Orchard, who chairs a joint AGR/Association of Graduate Careers Advisory Services committee on ethnic recruitment, disputes this. "I don't believe the issue is any less important because it was not discussed this year. We have encouraged many companies to take the matter seriously. We're gaining ground but it's a slow slog."

After stinging reports in recent years, the professions are also introducing changes long advocated by the CRE.

At the Law Society, Mr Jerry Garvey, an equal opportunities officer, appointed after a 1987 report revealed that just over 1 per cent of nearly 48,000 solicitors in England and Wales were from the ethnic minorities, confesses his own approach to City firms for talks were flatly ignored.

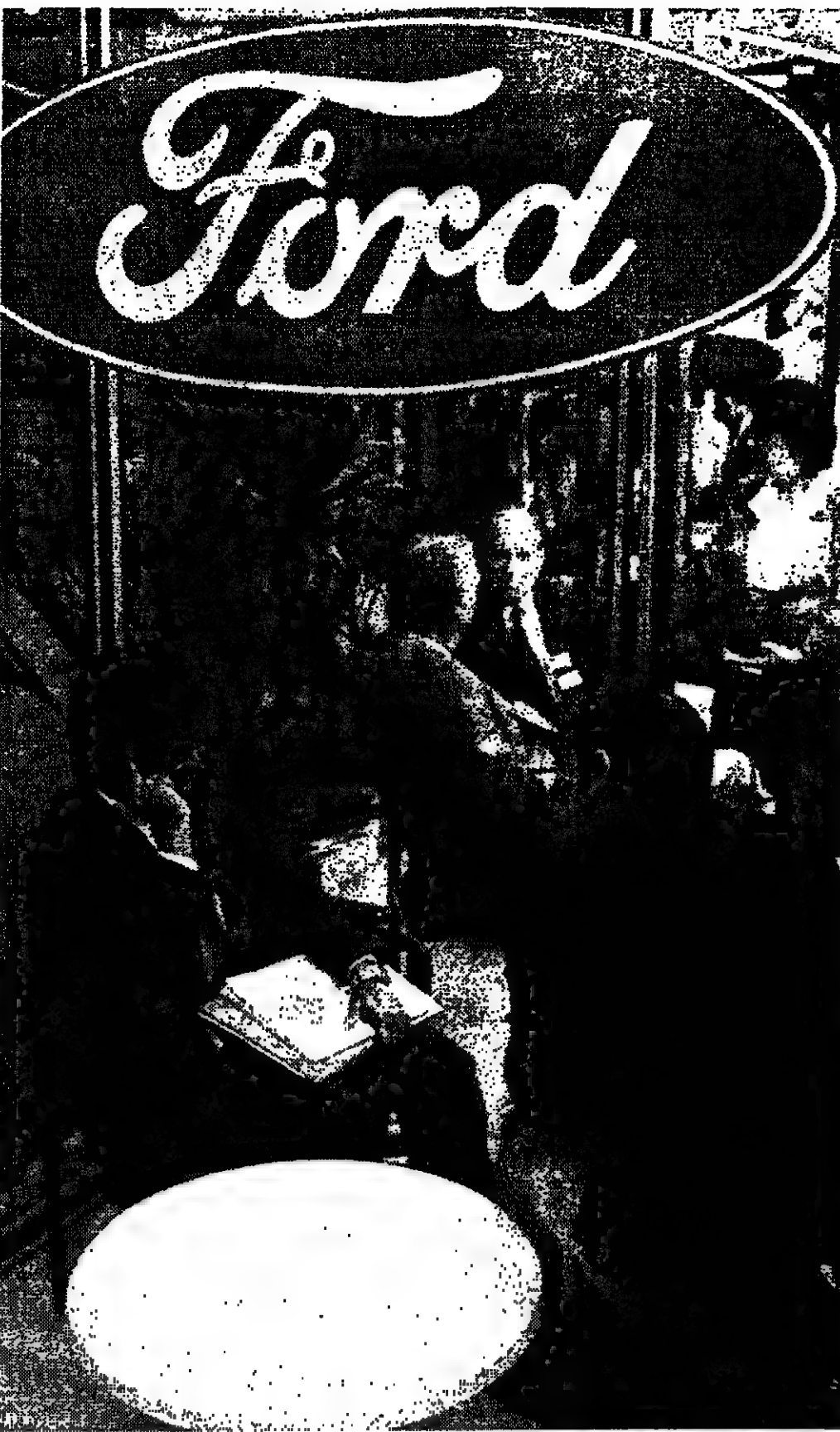
His initial satisfaction has given way to frustration over getting the City of London Law Society (CLLS) to tackle the issue of ethnic recruitment because of the CLLS's slow progress, says Mr Jonathan Goldsmith of the Law Society's race relations committee. In July the CLLS finally circulated a code of practice on the recruitment of ethnic minorities and equal opportunities and is following up the matter in talks with the CRE. City firms take on about 30 per cent of annual graduate applicants.

Earlier this year, a Brunel University report commissioned by the Law Society and CRE, revealed how law firms' narrow recruitment policies based on a public school/Oxbridge background perpetuated exclusivity.

The accountancy profession, which takes on about 12 per cent of all annual graduates, has also introduced ethnic monitoring and this year has produced a breakdown of student enrolments. Just over 800 of the 7,000-odd entries into the profession in the year to August 1989 were from the ethnic minorities; six refused to complete the questionnaire on ethnic background. The CRE code of practice has also been incorporated in the training handbook published by the Institute of Chartered Accountancy. "We have done all that the CRE has asked of us," says the Institute.

As employers are forced to look further afield, their task should be aided by the introduction this year of ethnic monitoring of first degree university and most polytechnic applications. "Employers who say ethnic minorities simply do not apply will be able to see the figures for themselves, identify the colleges and recruit them," says Mr Brennan.

*"Ethnic Minorities and the Labour Graduate Market" by John Brennan and Philip McGeevor, Commission for Racial Equality, Elliot House, 10-13 Allington St, London SW1E 5EH (22)*



The entire race relations issue is treated with "extreme care and sensitivity"

PROFILE: Ford

# Wide acclaim for race policy

Khozem Merchant finds a model recruiter

FORD is one of the UK's leading recruiters of graduates. Yet by its own admission, when it comes to taking on black and Asian graduates, even after a decade of ethnic monitoring it still has much to do.

"For operational and tactical reasons, our intake has got to be improved. It is good for business. We must be seen to be doing more," says Mr David Warrell, head of Ford's graduate recruitment.

Ford's own doubts aside, the company's efforts are widely applauded by, among others, the Commission on Racial Equality, which views it as a model recruiter. The entire race relations issue, according to one Ford ethnic minority graduate, is treated with "extreme care and sensitivity".

"For graduates, including blacks and Asians, the company generally operates a meritorious system. We are a very small minority here but are not treated any differently," he said. Other minority graduates echoed this view.

Ford's annual intake of ethnic minority graduates has increased from nine in 1987 (5 per cent of total graduate recruits) to 14 last year (7 per cent of total). Yet this has been against a background of declining interest from minority graduates (465 applications in 1987; 358 in 1988; 307 in 1989, in each year about 10 per cent of total applications). This year applications have shot up nearly 50 per cent, to 404 (14 per cent of the total). The inconsistency has puzzled Ford as its recruitment activities have, if anything, intensified over the same period.

One of Ford's responses has been to consider broadening its area of recruitment away from

universities and towards polytechnics, which attract a greater proportion of minority students. "By leaving recruitment to traditional areas we were not achieving good results," says Mr Warrell.

Nearly 10 per cent of Ford's total ethnic minority graduate applications this year came from just three polytechnics: East London, Staffordshire and Liverpool. "We have asked line managers to work at particular polytechnics where ethnic minority applications are high," says Mr Warrell. Some 38 educational institutions will be visited on this year's milk round, including six polytechnics, three for the first time.

Ford has also become involved in a pre-degree foundation course at East London polytechnic (which generated the largest number of ethnic minority applications this year) designed for potential engineering recruits who lack the conventional qualifications of A levels. The company sponsors students through the foundation course and subsequent degree, after which they join Ford's graduate scheme.

Unlike its parent company in the US, Ford UK does not set itself ethnic recruitment targets. In the US companies are required to meet statutory levels laid down by the Equal Employment Opportunities Commission.

Yet as Mr Ken Baker, Ford's equal opportunities officer, admits, target setting is an option being studied by the British company. "We have not set ourselves targets, but it is an area we are looking at." Setting targets for getting ethnic minorities into management is a priority (ethnic minority graduates make up one per cent of the workforce).

Continued on next page

PROFILE: Jayantie Sharma

# Bowled a bouncer

Khozem Merchant meets an Asian law graduate

NORMAN Tebbitt's "cricket test", marriage and religion: no, not the stuff of a headline-making story but the core points of law graduate Ms Jayantie Sharma's interview with a City firm of solicitors.

The interview was one of only three invitations the Trinidadian-born Ms Sharma received from more than 180 applications for articles (professional apprenticeship for solicitors) over two years.

"I was flabbergasted [with the questions], but when you are desperate you smile sweetly," says Ms Sharma, 29, who for the past three years has been working on her PhD at Reading University. Last month she began her law school finals in London, having secured a place after a three-year wait - but not the articles that students seek to bag before commencing the nine-month course.

"I think the interviewer was just fascinated by the phenomenon of a highly-educated, unmarried Asian woman. He presumably thought I would look good in his firm which he said had many Asian clients," says Ms Sharma.

The hour-long interview covered her Hindu caste (socially elite Brahmin), her father's occupation (Hindu priest) and each of her brother's jobs, how

"Indian" she regarded herself (despite her Caribbean background) and when she planned to marry.

"The interviewer said to me: 'There is one thing I must ask you. An Asian woman of your age should be married. Why aren't you?' I replied that it had not been a priority."

It was left to Ms Sharma to raise the subject of the firm, the prospective articles and her academic background. Five minutes was spent discussing these points.

"At the conclusion of the interview he said, 'I am not sure you will go to law school. You are highly educated but I do not think you will be able to cope if something [marriage] comes up between now and September. Contact us when you start law school.'"

Ms Sharma replied, as she was shown the door: "Are you saying you will offer me articles on condition that I finish my law finals?" To which the interviewer replied: "Yes."

But she has yet to receive written confirmation of the firm's offer, or otherwise, in spite of having requested it.

The Law Society and the City of London Law Society, which are both keen to promote greater black and Asian enrolment, have expressed disquiet at Ms Sharma's treat-

ment. The Law Society is also eager to attract more women into the profession.

Ms Sharma traces her interest in law back to her childhood in Trinidad where her uncle and cousins run a well-established family law practice. Her education from secondary school onwards has been in Britain. She read a BSc in law and politics at University College of Wales, Aberystwyth, where her aim was to become a barrister. But she decided not to take up a place to study her bar finals at Lincoln's Inn because she felt her joint honours degree had not given her a sufficiently wide knowledge of the law.

That was put right with a diploma in intellectual property law at Queen Mary College, London University - during which time she decided to become a solicitor - followed by a PhD in economics focusing on the economics of patent litigation. Ms Sharma assumed her post-graduate qualifications would ensure a trouble-free passage to articles. Not so.

"I have a degree, a post-graduate diploma and I have almost finished my PhD. I am just so surprised that in spite of all my further education solicitors' firms are still not interested. I thought I would be snapped up. The vast bulk of the firms I wrote to - including the top 60 in the City - have not even replied. Some said they wanted better qualified people. It is shocking."

A common concern at the three interviews was that I would leave prematurely to marry. At two of the interviews - with smaller firms I expressed an interest in continuing education, to keep abreast of changes. This did not go down well. They seemed to regard this as a diversion. One of the firms has not even replied to me. I can only think that I have been rejected because I am an Asian woman and because of my age."

In spite of her setbacks Ms Sharma is determined to stick it out. In the summer she adopted a more direct approach: she began telephoning solicitors' firms and asking for vacancies. That produced two invitations for interviews. As for the "cricket test" Ms Sharma feels she, and many Asian women have been

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Julie Walters in *Educating Rita*, the film that inspired a generation to go back to studying

## MATURE STUDENTS

# Age is no barrier to success

Phillip Halliday looks at prospects for older graduates

JOB PROSPECTS for mature students are improving but they should choose their degrees with care and get careers guidance before they enter their courses, according to Dr Eveline Nicholls, careers adviser at Loughborough University.

Dr Nicholls's survey of mature students graduating from universities and polytechnics in England and Wales in 1988 shows that the unemployment rate has decreased, for all age groups, since the first survey was compiled in 1986.

The proportion of graduates finding work within six months of leaving higher education has increased, with the 25-29 age band doing particularly well. The picture for the 30-49 age group is not quite so good but the trend is still a positive one.

However, mature students (aged 25 or over) should try to read subjects that are career-related to increase their chances of finding a job, advises Dr Nicholls.

The public sector is the most popular choice for mature students. For example, 67 per cent of students over 25 who graduated in 1987 found work in the public sector compared with 29.2 per cent of the younger ones, according to the Association of Graduate Careers Advisory Services (AGCAS).

"Many more older graduates

are going into teacher training because it is easier to get into teaching. The private sector is harder to get into unless you have experience and a relevant degree," says Dr Nicholls.

Careful planning and research at an early stage increase the chances of finding work. "Talk to career advisory bodies before entering higher education; academics are not necessarily the best people to speak to because they are concerned with their courses."

Dr Nicholls, who began her studies at the age of 34 after a career in the textile industry, points to her own example. "I studied applied science at Cardiff University but wish I had taken physics."

Science-related degrees are probably the best bet in terms of employability. There is a shortage of scientists and engineers and Dr Nicholls warns that mature students with an arts degree are likely to find it "doubly difficult" to find work.

Helen Perkins, chairman of the Association of Graduate Recruiters, agrees with pre-course guidance as a way of avoiding unrealistic expectations. "It is vital that this growing population of older graduates have access to quality careers guidance before they enter their course," she told the AGC annual conference in July.

The attitude of employers

	FIRST DESTINATIONS SIX MONTHS AFTER GRADUATING			
	1986		1988	
	Univ	Poly	Univ	Poly
Under 25s				
Employed (%)	56.3	63.9	58.8	66.3
Unemployed (%)	7.2	11.0	5.6	6.9
25-29				
Employed (%)	66.2	59.8	67.8	63
Unemployed (%)	6.0	11.2	5.3	8.0
30-49				
Employed (%)	46.3	57.0	48.5	57.9
Unemployed (%)	9.7	14.0	8.4	9.8

Dr Nicholls, Loughborough University

towards mature students, who comprised about 11 per cent of students at university in 1988, is a stumbling block to finding a career. An AGCAS survey of 117 employers in 1989 said many employers expressed fears that older entrants were less mobile, had problems integrating into training schemes and disliked criticism.

However, some employers said older graduates had greater self-knowledge, were emotionally more stable and showed greater loyalty. The picture is by no means clear with many employers reluctant to commit themselves on recruitment policy.

Most companies adopt a "best person for the job" approach which does not nec-

essarily cater for any special training needs that the older person may require.

Barbara Graham, of the careers advisory service at Strathclyde University, feels that although the 25-29 age group has a mix of youth of maturity which attracts employers, the over-30s still have problems convincing companies of their worth.

"Employers should focus attention on this group," she says. Ms Graham wants to see the practice of grouping students into age bands disappear as it tends to enhance preconceptions and biases. She advises mature students to seek out their local authority careers advisers but warns that the service varies from region to

region with very few equipped to give specialist advice.

Tutors can help: "Course tutors should be able to provide factual information about the destinations of former mature students which can be very useful," she says.

Mature graduates should improve their self-presentation. "Make it easier for the employer to see the skills and show that you are not just a victim of fate," says Ms Graham, who believes careers advisers can be of great assistance in this area.

Older graduates must be confident and assertive in the quest for work, advises Dr Nicholls. They should not worry too much about the "mixed opinions and attitudes" of employers which she feels are changing for the better. "Companies are usually pleased with the mature students they employ. They set a good example and it leads to greater confidence in taking on the over-25s."

Choose your employers with care, is the message. Medium and smaller companies are likely to prove better hunting grounds for mature students.

The employment outlook for mature students remains unclear but interest in the over 25s appears to be on the increase. However, it remains up to the student to show an employer why older is better.

Continued from previous page cent of Ford's management, and half of these rose through the graduate scheme). To be in a position to meet these aims, he says, Ford must look in the right places for ethnic minority graduates so as to attract the biggest and best response.

But such an initiative would, according to Mr John Brennan, author of *Ethnic Minorities and the Labour Graduate Market*, necessitate a significant rethink on recruitment strategies, the like of which has yet to be unveiled at any number of top British companies. "Companies are still looking in the wrong places, though some are slowly changing their ways," says Mr Brennan.

As a member of a steering group set up by the Association of Graduate Recruiters and the Association of Graduate Advisory Services to improve the lot of ethnic minority graduates, Ford has dropped measures long resented by black and Asian applicants, including requests for a photograph with applications.

Greater prominence has also been given to black role models in brochures. Of the 21 case studies, four are black or Asian graduates, a balance which far exceeds the true proportion of ethnic minority graduates at Ford.

Candidates are invited to enter details of their ethnic background on the application form. The vast bulk do. Failure to do so is not held against the applicant, Ford says, although it acknowledges that many ethnic minority graduates still feel failure to comply would prejudice their chances.

Interviews are conducted only by senior managers who have completed Ford's in-house courses for graduate recruitment, interviewing techniques, equal opportunities and race awareness.

Managers are taught to avoid the cultural stereotypes, the "invisible" and often unintentional signs of racism most bitterly resented by black and Asian. Pointed questions, such as asking an Asian woman when she intends to marry, are ruled out. Indeed, all domestic type questions are avoided. A record of first interviews is occasionally inspected by a superior. If a candidate has been rejected because of what is perceived by the superior to be prejudicial reasons, then they are likely to be given a second chance; the interviewer, meanwhile, would be instructed to receive further counselling on equal opportunities but would not be disciplined. Company disciplinary procedures do not cover dealings with non-staff, Ford says.

Ford puts up mock candidates to test the interviewers: the guinea pigs' brief is to speak lucidly but in a heavy Asian or Afro-Caribbean accent. The exchange is recorded and the interviewer's performance discussed later.

Ford's small number of Asian or Afro-Caribbean managers do conduct interviews and occasionally end up on a panel interviewing ethnic minority graduates.

More than half of Ford's ethnic minority graduate recruits go into systems. Last year the section received 78 ethnic minority applications (out of a total of 943), of whom 36 were invited for interviews and seven offered jobs. It is by far the most popular area of employment for black and Asian applicants. The training

## PROFILE: Birkbeck College

# School for part-timers

Sheila Jones discusses higher education for older students

CAREER choices can be thwarted by lack of formal qualifications. Rightly or wrongly, many people seeking promotion or a move into a different career find their way blocked because they do not have a degree.

Many polytechnics, the Open University and some conventional universities offer degree courses part-time.

Birkbeck College in central London provides part-time degree courses to mature students. It is the only institution of its kind in the UK, providing face-to-face lectures and tutorials at night school.

The college offers some full-time courses but it focuses on those unable to study full-time because of obligations such as full-time paid work or looking after children.

Baroness Teresa Blackstone, Master of Birkbeck, believes the college can provide a second chance for the "large number of people" who have missed out on higher education earlier in life.

"There are literally thousands of people who could have gone into higher education at the conventional age but did not because of the nature of our school system which freezes a lot of people out at the sixth-form stage."

Both the arts and sciences are covered at Birkbeck, which is part of the University of London. Courses range from geography, history, languages and philosophy to economics, bioengineering, maths and chemistry.

BA and BSc degrees take four years, usually involving two or three nights of formal study a week during traditional term time. MA and MSc courses are generally over two years.

MPhil and PhD research courses are also available, part-time and full-time. Many other courses last from one day to 30 weeks.

For many Birkbeck students, a two-hour night class comes on top of a day at work or after negotiations over a babysitter. It is a demanding commitment.



Baroness Teresa Blackstone

"I think that the combination of work and study can often be a very powerful one that works well for people even though it's tough," says Baroness Blackstone.

It can be a commitment that pays off by broadening career options as well as the mind. "I would hate people to come here for purely instrumental reasons; simply because they wanted to earn more money or because they wanted a higher status job. I want them to come here because they want to learn; to increase their knowledge, improve their understanding... at the same time, it is perfectly legitimate that they want to find more interesting jobs; jobs which give them more satisfaction, more responsibility."

Birkbeck is not just a place to train people for jobs, Baroness Blackstone adds. "A good employer will be so happy to support somebody doing a degree in philosophy as they will to support somebody doing a degree in analytical chemistry."

Most Birkbeck students are self-financing. Fees in the coming academic year are £406 a year for undergraduates and £798 a year for postgraduates. Baroness Blackstone believes too little is done by

government and employers to encourage part-time study.

"We need employers to encourage and support their staff who are not graduates but who have the potential to become graduates. Only a relatively small minority of our undergraduate students are supported by their employers. Far more ought to be."

Demographic patterns which mean fewer graduates are entering the labour market may force change.

"One of the appalling inequalities in our system is that full-time students, however rich, get their fees paid by local authorities. Part-time students however poor they are, and even if they've had no higher education at all, have to pay their fees. I think that's wrong."

While those people entering the labour market with qualifications such as a degree must have the edge on those without, a degree carries no guarantee of improved career prospects, particularly for mature students.

"There are a lot of employers who are unimaginative in their recruitment policies; who still believe that they have to take the 22-year-old conventional graduate rather than a 32-year-old Birkbeck or Open University graduate."

"What they will have gained is somebody who has a broader and wider range of experiences, a more mature outlook; someone who may well be more settled in their private and domestic lives and therefore more likely to commit themselves to the firm, company or organisation."

Birkbeck has about 3,000 degree students. Ninety per cent of them are over the age of 21; just over half are men. It operates a flexible recruitment policy.

"Birkbeck is an institution that wants to open its doors to the widest possible range of students," says Baroness Blackstone. "It considers people from all kinds of backgrounds."

STRIKING OUT from an established way of life, from a job that provides stability but little else, is an option for relatively few people. Once established in a career most people stay there - for life.

Switching careers late in life is for the foolhardy or eccentric; frowned upon as a sign of instability. Few people could say that at the age of 18 or 21, they were fully equipped to make the right career choice; to start a job that would suit them - and their employer - for the rest of their working lives. Yet this is largely the way the labour market operates.

To leave the labour market at the age of say 45, out of choice, is to take an enormous risk. One way of escaping from an ill-suited job is to enter into further or higher education as a mature student.

Mike Lea, a Londoner, left school at 17 in the early 1960s. He had three O-levels.

"I was useless at exams. I went into insurance because it was the only job I could get. I started as a dogbody in claims and stayed with my first employer for just short of 15 years."

After a couple of years of day release and night classes, Mike emerged with the Fellowship of the Chartered Insurance Institute. That sealed his career for 25 years. Mike did not particularly enjoy the work. Neither did he feel that he was getting the best out of himself.

But a lack of formal qualifications restricted his options. He left his first job in 1977 and despite reservations, he joined another insurance company after a brief period with a temping agency. He stayed with his second employer for 10 years.

"I ended as an administrative manager, working mainly on policy drafting." Mike felt there had been little choice but to stay in insurance. He would like to have followed his father into the legal profession but three O levels was well short of the academic requirements.

"I think my career in insurance was basically a waste of time. It required no thinking. Once you had the basic grounding it was automatic pilot from then on. I thought I was probably in insurance for the rest of my life."

## PROFILE: Mike Lea

# Escape from boredom

Sheila Jones meets a mature student



Mike Lea: hopes to do an MPhil and possibly a PhD

Once in his 30s, Mike felt that it was probably too late to get out.

"The job adverts usually specified - people over 30 need not apply. I was bored but I felt that I had left it too late. I was also a coward and I felt lethargic and institutionalised."

At that stage, Mike rejected the idea of abandoning work and instead he embarked on an Open University degree course. His priority was to engage in something that he enjoyed and which had nothing to do with insurance.

"I did it to keep my brain functioning." Mike completed the OU degree in economics and sociology in 1982 after three years of study in his spare time. He stayed with his second employer for nearly 10 years,

by which time, in spite of what he felt were limited options, Mike decided he had had enough. He left the job and started a full-time degree course at Thames polytechnic.

"I had always wanted to do it and I knew by then that I was capable of doing it. The OU degree had proved that."

After graduating with a BA honours degree in political economy from Thames Poly, Mike started a part-time masters degree at Birkbeck College, part of the University of London, combining study with part-time work - some paid and some voluntary.

He has just completed the first year of the course at Birkbeck. Fees, books and living expenses come out of what is left of redundancy money he received from his last employer

in 1987. Since leaving insurance Mike has supplemented his savings by working part-time as a van boy's assistant, and with a few weeks work in the summer totting up marks on GCSE exam papers for the London Schools Examination Board.

After the Birkbeck course, Mike hopes to do an MPhil and possibly a PhD, storing up qualifications for his re-entry into the labour market. However, he believes that while higher education will have enhanced his job prospects, his age will continue to act as a barrier.

"I think the prospects for work are not that good because of my age. I'm nearly 47. Employers believe that older people are set in their ways and can't cope with new technology and that sort of thing. That's not necessarily true. It may take an older person slightly longer to learn if they've never seen a computer but that's about it. The benefits of age and experience don't seem to go far."

Mike would like to work full-time again. "When I have finished studying I will, I would quite like to be a lecturer, but I suppose that by that time - I'll be in my late 40s, early 50s - I'm more likely to be able to get a job back in insurance; back to writing reminder letters. I would rather not work at all than do that. I never thought it was really me, walking around with a clipboard trying to look important."

Demographic changes and a shortage of young people entering the labour market may force employers to change their attitude towards older workers and there may be greater scope for career changes at any age.

"Whether or not a change in employers' attitudes will come in time for me is another thing," says Mike.

Nevertheless, he is happier as a mature student than as an insurance manager.

Whatever his choices in the labour market, he says the academic work has been worthwhile.

"I worked for 25 years and I needed a break from the grindstone, a break from the sheer boredom of it. I had probably got to the stage where I was unemployable. I'm happier now. I'll probably live longer."

## FAMILY ISSUES

# Don't let children get you down

Gay Firth discusses a woman-shaped working life

"GET IN. Get on. Get pregnant. Get out. Get back."

Plotted on a graph, these blips form a pattern characteristic of most women's early working lives; at graduate level, between the ages of about 22 and 35.

This is not to say that the apparent slump in prospects consequent upon the third blip, is written in the stars. Every working life - a man's as well as a woman's - remains susceptible to choice, change and sheer luck (good or bad). Many a determined and/or desperate woman has had one, two, or more babies and managed not only to stay in paid work but actually to flourish in personal career terms.

The problem is that those terms are established - with-  
tinkles, nowtinkles, and the like

Men do not have babies. Correction: they do; the word "father" is by no means redundant in the vocabulary of any culture. It is simply that men can pretend that they do not. Girls may pretend for a while ("Me? Babies? Never"). But the biological bell rings for most of us, even if a woman decides to hold out into her 30s.

Properly differentiated (as distinct from discriminatory) planning should be the norm, but precious few careers specialists, never mind students and parents, recognise this, still less accept that the best careers advice for both boys and girls would include cradle-rocking along with computing in "necessary skills".

The facts of life have not changed much in kind, only in

the pill has done more for women's freedom to take up professional opportunities, and extend their earning capacities, than many a bitterly fought piece of legislation in the name of equality between the sexes.

Work is a *unisex* expectation. Women's participation in the labour force between the ages of 25 and 44 (official jargon for employment other than, for example, doing the family washing and getting the baby's lunch) rose from 52 per cent to 71 per cent between 1971 and 1988; in the EC, the highest rate after Denmark. Families in which both partners work outside the home account for 52 per cent of UK married couples with children. Even where the youngest child is under five, about a third of

shaped working life, typically, will look different from a man-shaped working life. You may be having children just when your male colleagues are forging ahead. So it is important to lock early into training and promotion plans traditionally built into men's - but not always women's - career structures. You want responsibility; you are prepared to travel; you understand that if you accept part-time work to fit a growing family you will probably lose career status, salary scale, perks, promotions, pension prospects. You may never get them back.

A young woman needs negotiating skills to work things in her favour with her employer. Above all, she needs a partner at least as determined as she is



مركز امتحان



# The alternatives

## SELF-EMPLOYMENT

### Going it alone

James Abbott on survival in the cut-throat world of business

SELF-EMPLOYMENT is a dream of many, realised by a few. For callow graduates in particular, the problems involved in setting up on one's own are daunting: an academic degree is far from a guarantee of survival in the cut-throat world of business.

Yet increasing numbers of graduates are going down the self-employed road, lured by the carrot of independence.

"One thing they are absolutely clear about is that they don't want to work in a large company," says George Chadwick, dean of continuing studies at the Polytechnic of East London and a leading light in the government's Graduate Enterprise Programme.

This is the common characteristic of all graduate entrepreneurs, who otherwise form a very diverse group in a wide selection of small businesses.

Those who have degrees with a practical bent have an obvious head start when it comes to establishing a business, with such disciplines as engineering and computer studies producing more than their fair share of graduate entrepreneurs.

Crafts students are, almost by definition, unlikely to find a job in a large corporation that makes use of their degree directly; they will be tempted to try and make a go out of selling their own products, be they musical instruments, hand-made furniture or whatever.

But these are not the only ones braving the world of business on their own. Some who have undertaken quite abstract studies give self-employment a try: for instance, Mr Chadwick knows of two former law students who are having a shot at running their own restaurant.

This trend is on the increase, as demographic change means that some mature students with some experience of the world of work are entering higher education establishments - and these often independent spirits are more likely to have clear ideas about how they could make it on their own than the average 21-year-old graduate.



own than the average 21-year-old graduate.

For those university and polytechnic students who have ambitions of working for themselves, the Training Agency's Graduate Enterprise Programme gives the opportunity to pick up basic business skills.

Established in Scotland in 1983 and expanded nationwide two years later, the programme runs on an annual cycle, beginning at the start of each academic year with "awareness days" in degree-awarding institutions dotted around the country.

Those interested in what is on offer go to a two-day workshop in the Easter vacation, where they are taught how to establish a rudimentary business plan. About 1,000 a year attend the workshops, with about one in five going on to the second phase of the programme.

This involves 20 days in the summer in which would-be self-made men and women mock up a marketing plan and learn how to draw up a cash-flow forecast. The business plan sketched out at Easter is refined and made more concrete.

Not all who make it to the end of the programme actually set up their own businesses. Some give up for the best of reasons: the discipline of drawing up the business plan in the Graduate Enterprise Programme showed that their idea would not work.

One mature student who dreamed of running a travel agency was saved from a nightmare when the business plan he drew up on the course showed he would have been bankrupt within six months if he had pushed on with his idea of getting a second mortgage to buy an agency franchise.

Some others find that their ideas would be profitable, but hardly on the J.R. Ewing scale - and decide that the strictures of an ordinary job would be preferable to seven-day weeks and meagre returns while working for oneself.

For those that do press on and set up their own businesses - and the Graduate Enterprise Programme now yields about 150 a year that do - the first few years are the crucial testing time, as they are with all small business start-ups.

An award scheme sponsored by a number of major companies, including STC, Price Waterhouse and the Royal Bank of Scotland, rewards those graduates with the best ideas. Last year's winners included a graduate of Glasgow School of Art who has launched a business supplying cakes decorated with company logos and other commissioned artwork; an engineering student who has launched a company to make lightweight winches for racing yachts (see accompanying story); and an up-market sandwich delivery service in Newcastle started by a business studies graduate from Middlesex Polytechnic.

The Department of Employment claims the programme has achieved its stated aim of encouraging entrepreneurship among young people. Whereas in the early 1980s some 2 per cent of graduates in the UK started their own business compared to 0.5 per cent in the UK, by the end of the decade many British higher education institutions were reporting take-up on the Graduate Enterprise Programme matching US levels.

According to the marketing jargon in graduate literature, gaining a place on a graduate programme of a leading City investment bank was the ultimate in career development: excellent starting salary, rapid career progression, early responsibility, niche-finding through job rotation, challenge and variety.

Underneath the gloss of the brochures, behind the flashy selection and induction processes, in many cases with the appropriate involvement of senior figureheads for extra marketing credibility, the reality eventually emerges. Many graduates become the victims of a marketing game played by large companies, in which only the losers get caught.

Armed with an honours degree in international business and French from Aston University, I felt suitably equipped to join the fast track Management Development Programme of a City institution. The rigorous selection procedure served to confirm my perception of the value placed on graduate training. Once "coaxed into the pot", however, the facade of the graduate's importance within the firm soon wore thin. The scheme consisted of four job rotations over two years, culminating in a management appointment - a structure frequently found among reputable graduate programmes.

During these rotations, aptly called "attachments", the graduate is "attached" to, but not completely part of, a business unit. With the Personnel Division being the cost centre for all graduates' salaries, the business unit has a tendency to view graduates as "trainees" rather than as individuals with their own talents and hence unworthy of any true responsibility or customer contact.

During my brief encounter with a business unit I was kept suitably amused with dubious pursuits under the guise of "objectives". In the absence of any real development, I quickly became disillusioned and in spite of the huge risk factor of future unemployment, resigned.

The lack of control over my own development process, together with the prospect of achieving very little during my two-year programme, was demotivating and demoralising. The regret felt over my resignation by my ex-employer



Geetu Bharwaney: discovered the really underneath the glossy brochures

## PERSONAL EXPERIENCE

### Victim of a marketing game

Geetu Bharwaney discovers a rewarding path to success

was considerable: the Marketing Game costs vast amounts of time, money and effort but graduates must beware: all that glitters is not gold. It is strongly advisable to consider fully the opportunity cost of accepting a standardised "package" for management training.

The job-hunt process that ensued was my most trying experience to date. My initial haphazard approach, with scores of rejections, potential employers doubting my motives and the huge expense incurred in sending out numerous application forms and CVs, led me to rethink and overhaul my career strategy.

How many graduates with subject degrees, that do not naturally lend themselves to a specific profession, actually evaluate where their strengths and desires are best suited and satisfied? A critical self-evaluation process led me to seek a position in the business consultancy training field, an area to which my talents seemed best suited. I telephone more than 100 companies and my peer group, who saw no methodology in my speculative approach, criticised me severely.

In spite of frequent rejection, through sheer persistence and tenacity I was finally recommended to TDA Consulting Group Limited, a company incorporating outplacement counselling, creative media services, competence consulting and management training and development. Although I was informed at the interview stage that TDA had never offered a development programme to a graduate, I was offered work as a support tutor working alongside an experienced trainer.

Once TDA had provided me with a first opportunity to demonstrate my competence, I was then invited to become involved in a major client assignment to further my experimental relationship with the company. By responding to the challenge and demonstrating a wider range of skills and abilities, TDA offered me the position of assistant consultant, a developmental role working across all parts of the company on a project basis.

The development contract between TDA and myself is two-way in both its concept and execution. My learning process is entirely related to business needs and my role is clearly defined on a project-by-project basis by the directors. Projects in which I have been involved are entirely client-led

and extremely high profile. TDA are fully committed to providing me with the tools for my development in the way of customer contact, professional sponsorship and total responsibility within an agreed job role. No limitations are being imposed on my progress. The atmosphere generated in medium-sized company by highly-motivated team has allowed me to contribute an element of personal creativity to the company. I have recently been invited to pursue shares in TDA while again reinforcing the two-way commitment.

Messages for the undergraduate are clear:

■ The best jobs are never advertised but they can always be created for the person who has identified their vocational niche.

■ Conventional graduate schemes represent a tiny proportion of the opportunities available and hence should not be overvalued without a thorough investigation of their "fit" to personal needs.

■ Highly-structured development programmes in a big company environment do not suit everyone, though some may find this more formalised route to success acceptable.

## PROFILE: Chris Chambers

### Not by luck alone

James Abbott meets a winning yachtsman

CHRIS CHAMBERS provides a prime example of the sort of problems which can face young entrepreneurs.

In some ways he has had all the luck: winning prizes worth more than £17,000 and appearing on Tomorrow's World on television with his invention.

But he has also been up against it in a way familiar to many starting small businesses, with mind-numbingly long hours and a chronic lack of capital.

Mr Chambers' bright idea was conceived in his final year at Sheffield City Polytechnic, where he gained a BEng degree in mechanical engineering in the summer of last year. Having grown up on the Isle of Wight, Mr Chambers, 23, is a keen yachtsman and for his final year project designed a lightweight winch for hauling in sails.

Hearing about the Graduate Enterprise Programme from a friend, he decided to attend one of the programme's

Exercises were excellent," recalls Mr Chambers. "They were trying to help you as it helps them."

Also very helpful was an allowance of £500 for market research and product development, which he used to develop his prototype winch.

He reached the end of the course armed with his "winning winch" and plenty of business theory, but where could he go from there? Lack of capital seemed an insuperable hurdle and despondently he made plans to go to the Paris Boat Show in September last year, where he intended to negotiate a sale of the patent.

Then an unexpected turn kept him in the game. Mr Chambers heard he had won first prize in the British Petroleum award for manufacturing innovation on the Graduate Enterprise Programme - which meant a cash injection of £3,000. "That money was an absolute godsend," he says.

Other awards followed, including £5,000 from the City and £500 from the Isle of Wight "Livewire" scheme.

The Prince's Business Trust awarded him a £1,500 bursary and a £5,000 loan. Just as important, he says, the Trust appointed a professional businessman as an adviser.

But in spite of the awards, Mr Chambers was still short of the sort of capital he needed to produce the winch. "Manufacturing has this big hurdle of getting the product right, and that takes an awful lot of money," he says.

Thus, much of 1990 has been spent searching for capital, with every spare moment devoted to perfecting the winch - resulting in months of 18-hour days.

Based on this experience, he suggests that at the end of the Graduate Enterprise Programme there should be a "marriage bureau" where those with venture capital can meet young people with ideas.

He would also have welcomed more help on tactics. "If someone offers you £40,000 for a 49 per cent stake, should you take it? It's an incredibly difficult area, and nigh impossible to find someone who'll give you impartial help for free," he says.

Chris Chambers is not out of the woods yet, but the outlook is brighter. He hopes to tie up a capital deal, and he has an order for two winches from the Italian America's Cup team. If things go well, he will set up a

SETTING up in business on your own or going to work for a small company are unlikely to be the first options which occur to most students. Large companies and the Civil Service will be far more evident on the university "milk round" and many college careers services have only recently become aware of the possibilities of the smaller firm.

Yet it has been small companies - particularly those employing fewer than 20 people - which have created most new jobs over the past decade while large organisations employing 1,000 people or more have shed employment. A record 1,700 new companies are being set up every week in Britain, according to the statistics of VAT registrations and this figure is after allowing for businesses which deregister.

Not that starting up on your own will be easy. One third of new start-ups stop trading within three years and by year five half of new businesses have ceased to exist, some because they have been sold or merged but many because they have failed to make the grade.

Starting up on your own requires stamina and persistence. It also demands an ability to assess risk and to plan ahead. Unlike the manager in a large firm who will have his or her specialist area of expertise the small business owner-manager must be able to deal with the whole range of business challenges on his own - or find a partner with complementary skills.

Running your own business can be lonely, particularly if you are used to the conviviality of the college environment. Your domestic partner may be able to share the burden and bank managers, accountants and chambers of commerce can provide assistance but the owner has ultimate responsibility.

It may seem scant consolation but an important advantage of starting up in business straight from university is that the entrepreneur is unlikely to have heavy commitments to a family or a mortgage so if the business does go down he should be able to bounce back fairly quickly.

The advantages of going it alone are the satisfaction of running your own show and the knowledge that you rather than any employer are the main beneficiary of any profits the venture makes. However, few entrepreneurs are motivated mainly by a desire to be rich. Independence comes top of most league tables of motivating factors.

If you do not want to set up in business on your own - or you want to gain some experience of how small businesses work before trying it yourself

## SMALL BUSINESSES

### Lonely enterprise

Starting up on your own won't be easy, says Charles Batchelor

business is likely to offer you greater responsibility at an early stage and will probably be more responsive to your suggestions than a larger, more hierarchical company.

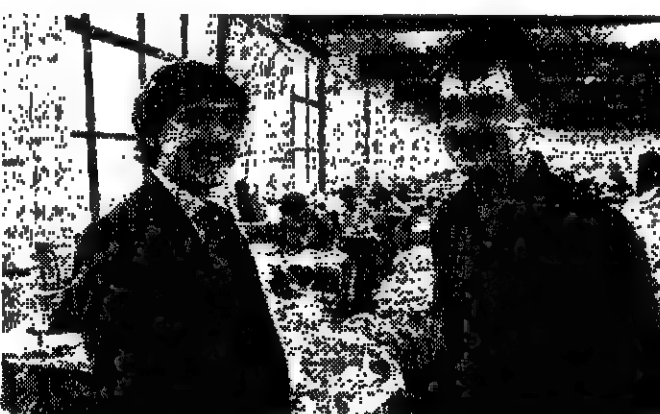
The graduate in the smaller company may be able to exert influence on where the business is going. He may also be able to take a financial stake in the company (though small-business owners can be very possessive about their businesses and many large firms run share option schemes for their employees).

Among the disadvantages of working for a small company are a lack of a formal career structure which may mean it is unclear where you are headed. Training is more likely to be informal and on-the-job than at any generally recognised institution. The small company may also place greater demands on your time and energy than a large one, where work loads can be spread over larger numbers of people.

In a family-run company your progress to the really top jobs may be blocked by family members already working in the company or by the next generation waiting to step into positions of power. Family businesses are becoming more professional in the way they manage themselves but blood ties can prove very powerful.

You may want to gain experience of a small firm but will the small company want you? Small-business owners can be suspicious of the idea of employing graduates who they may regard - often rightly - as having a lot of theoretical knowledge but very little practical experience. Joining a company where the management has a university background should avoid this problem but many small firms are run by people without a great deal of formal education. However, there are several programmes which place students with small firms during the long vacation.

One such scheme is the Shell Technology Enterprise Programme (STEP) which this summer placed 340 students for eight weeks with small companies. Unlike a sandwich course placement, which aims to produce a better engineer or chemist, the STEP scheme is intended to make the student more enterprising and give him or her the confidence to take decisions, change things and use initiative. It also seeks to break down mistrust



Patrick Brennan (left) and managing director Andrew Kluge

For all their inexperience, students on this programme can make an important contribution to the businesses with which they work. Three examples are:

■ Patrick Brennan, then a third-year textile technology student from the Bolton Insti-

tute of Higher Education, last year helped Supercover (Bolton), a manufacturer of plastic raincoats for push chairs, introduce a piece-work system for its 12-strong assembly line work force.

■ Lynne Purnell, a 20-year old maths student from St And-

rews University, worked with Velden Engineering, a Bolton based sub-contracting company with sales of £3m, to integrate its computer systems.

■ Samantha Dockwray, a 11 year old psychology student at Sheffield University, helped Sportswise, a Maryport, Cumbria-based manufacturer of first-aid kits for walkers and sailors, remodel a promotional voucher scheme so the benefit came to the company and not just to the retailer.

The Graduate Enterprise Programme helps students prepare for setting up their own business immediately after graduation while, for graduates who have left university within the previous two years but have been unable to find job, the Graduate Gateway Programme provides work experience with a small firm.

Further information about the Graduate Enterprise Programme contact the Training Agency, Moorfoot, Sheffield S1 4PQ. Tel: 0742 753275; the Graduate Gateway contact the Centres or local career offices; for STEP contact Durham University Business School, Mill Hill Lane, Durham DH1 1LE. Tel: 091 37 3385.



Chris Chambers: a prize-winning winch

two-day Easter workshops in Huddersfield to explore the possibility of commercial exploitation of his winch. His winch weighs 18kg but can take the same loads as a conventional winch weighing 49kg - a significant weight-saving for a racing yacht.

Encouragement from staff led him to attend the Graduate Enterprise Programme's summer course. Lecturers included a bank manager, solicitor and

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# The world

## THE EUROPEANS

### The door has been opened...

...But the birds seem reluctant to fly, writes Lucy Kellaway

EUROPE is your oyster. You have the right to study anywhere in the Community. You have the right to work anywhere in the Community.

If you have a professional qualification or a diploma of any sort, you will be able to use it in any of the twelve EC countries without taking more exams.

That, at least, is the idea. The reality is rather different, and if your ambitions for the future are rooted firmly this side of the Channel, then you are not alone.

In the last few years governments have done the legislative spade work, and laws allowing people to move freely will be in place by 1992. Now no country can kick you out as a student if you can support yourself, thanks to a directive recently agreed.

A second measure - which comes into force at the start of next year - means that if you are, say, a qualified lawyer, vet, physiotherapist or accountant, other countries must recognise your qualification.

In addition, the Commission is doing all it can within its budget to try and encourage people to study, train and work abroad, with numerous schemes amounting to almost Ecu 1bn over the next five years. These will pay for students' and professors' move to other European universities, and will help companies in their efforts to get their employees speaking foreign tongues.

The Commission is just completing a lengthy guide of tips to students for getting work in Europe, and is embarking on an ambitious inventory which will show which countries are rich in which skills, and which have gaping needs for skilled employees.

So far, the numbers of people leaving their home country to study or work in Europe do not reflect these efforts. Only about 2 per cent of students have had any experience of

another European country, compared to a Commission target of 10 per cent.

There are four main problems: language, money, housing, and lack of information. Even supposing you are fluent in Portuguese, and have discovered some uniquely attractive course only available in Lisbon, the chances are you will have to pay for everything yourself.

Anyway, in a place where most students live at home, finding somewhere cheap to live may not be easy.

For these reasons the vast numbers of students who study in another member state do so under the Commission's guidance.

The Erasmus programme, which gives money to universities that have arranged exchange programmes with other countries, was launched 5 years ago. The scheme has taken off, with some five times as many students competing for the 35,000 odd places a year. About half of all EC universities take part in Erasmus, and many of those which do not have enough EC money to fund the schemes, top them up themselves.

Progress on job mobility is slower still.

Ever since the Treaty of Rome, people have been able to work in other countries on exactly the same terms as the locals, to set up their own businesses there. The only thing they do not have a right to do is to work for the civil service in another country. Should you, as a British citizen, have a burning desire to be a tax collector in Frankfurt, you might well find the door closed.

The Commission regularly collects statistics on movement of labour in general in the EC, and evidence is that the numbers that take advantage of this freedom are small, and seem to be shrinking. In most countries about 2 per cent of the workforce comes from other EC countries, and nearly

all of those are unskilled workers moving from the south to the north in search of a better life.

By contrast, nobody knows how many graduates get jobs in other member states, but everywhere anecdotal evidence suggests that the number is rising, although from a very low base.

By far the easiest way to work in the EC is with a multinational company with offices there. And as more and more European companies merge or expand into Europe, trying to keep up with 1992, the possibility of qualified employees moving with them gets greater.

This European onslaught affects almost every sector, from banking and stockbroking through to the big industrial groups. As a sign of greater mobility, multinational companies are becoming a common sight on the milk rounds of British universities.

Language may still be a problem, but it is one that many companies are increasingly prepared to take on themselves. Most big employers will send employees off to learn languages, or pay for courses at home.

It is far more difficult to get work abroad without a company already behind you. However this will become slightly easier for professionals after January next year, although no miracles are to be expected. Some professions - such as architects, nurses and vets - have been able to move around for some years (although from the number of French nurses in British hospitals one would not have guessed it).

Again there is a problem of languages, and the further problem that many professions run national closed shops.

The directives will mean your qualification must be recognised in other countries, but it does not mean either that those countries will give you a job, nor that it will be easy to set up on your own and

attract enough clients.

Cultural differences do not help: a French doctor - they are notorious for handing out suppositories with everything - is not likely to get far in a general practice in London.

This means you are likely to be limited to specific cases where the UK has an obvious

head start. Already Brussels and Paris are stiff with British legal and accounting firms, while in other areas, like engineering, British skills are in demand.

Some British doctors work abroad, but almost all of those are on the Costa del Sol doing out-hangover cures to pension-

ers and UK holiday makers.

There is evidence that the appetite among graduates for working abroad is stimulated by any experience of studying there. Indeed a new Euro breed seem to be developing from the Erasmus programme, with many students wanting to stay in their adopted homes.

The most important changes are not legal ones, but changes in the attitudes of both employers and employees. Ten years ago you probably would not have dreamed of considering Europe. Now, the problems may seem to outweigh the benefits. But ten years from now...



## DECISION TIME

### In search of the best

Andrew Fisher looks at MBA rankings

AS BIG business becomes more international and Europe is gripped by the twin prospects of the post-1992 unified market and the opening up of economies to the east, more and more young managers are keen to have the magic letters MBA after their names.

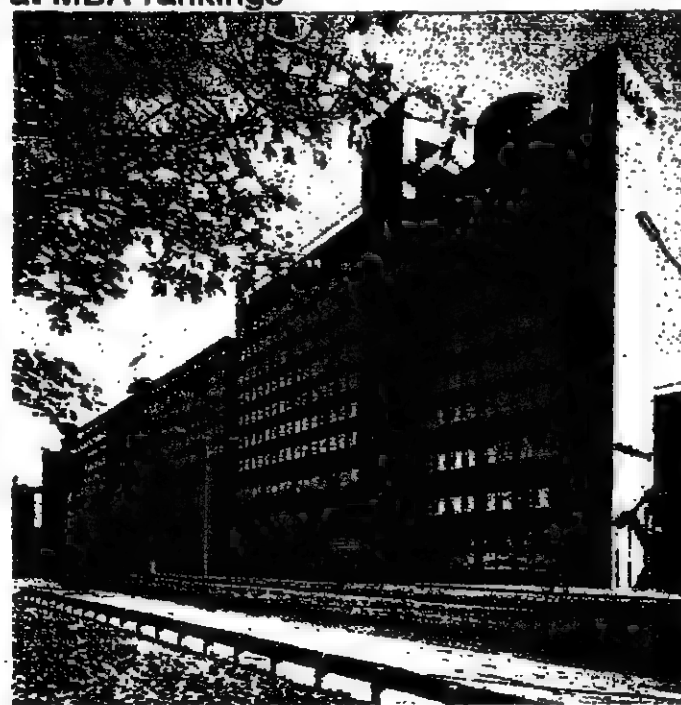
Deciding where to obtain the qualification of Master of Business Administration is no easy task. Last year, more than 6,200 Europeans entered business schools, around 900 of them from West Germany. Roughly half went to US schools and the rest stayed in Europe. The numbers are growing, but are still small in comparison with the US, where some 70,000 Americans graduate each year from business schools with MBAs.

Worldwide, around 900 business schools offer MBAs; about 300 have international reputations. So how does the eager and aspiring young manager set about making his or her choice? In the sensitive, competitive, and somewhat hot-house world of business schools, any attempt to try and pick out the best is bound to ruffle feathers.

Mr William Cox found this out when his Frankfurt company Cox Communications published a study of the top 10 business schools offering MBAs in Europe. Some which came off less well than they expected reacted strongly, charging that Mr Cox was linked with one of the schools, the Graduate School of Business Administration (GSBA) in Zurich, which came third on his list.

In fact, he was involved in public relations work for GSBA until 1987, when he set up his own firm. Initially, Cox Communications did some work for GSBA, but has carried out none since. Mr Cox, a German-born American, asserts his ranking was an independent effort. He intends, with the help of his wife Ingrid, to extend this year's ranking to 30 schools, and to publish in English as well as German.

Obviously, any ranking is subjective and will be open to criticism. The Cox ranking was based on 20 criteria, including the content of courses and the quality of teaching, relations with business, the usefulness of the degree to companies, the competitiveness of admission, how schools manage themselves and their finances.



Manchester Business School, fifth in the Cox rankings

image, how well students do after their studies, and value for money.

First on Cox's list came the Rotterdam School of Management, part of Erasmus University. It scored highest on dynamism, the number and quality of lecturers, and in the way it managed itself. It also did well in terms of value to Dutch and international companies. GSBA was third, scoring well on usefulness to companies and benefiting in the study from its attempts to attract older students wanting to improve their strategic thinking, and the gearing of its courses more towards long-term decision making. Manchester (5th) also shone on these points.

Also in the Cox rankings were IMD of Lausanne (2), Institut Supérieur des Affaires Joux-en-Josas, France (4), SDA Bocconi of Milan (6), Insead of Fontainebleau (7), Nijenrode - the Netherlands School of Business, Breukelen (8), IESE of Barcelona (9), and the London Business School (10).

In the next study, Cox Communications will include more UK schools. Most UK universities have MBA programmes, Mr Cox.

Paradoxically, MBAs are not offered in Germany for legal and other reasons. "This is a missing link in our educational system," says Mr Harma Kauf-

mann, director of the new MBA Centre in Frankfurt, one of the tasks of which is to prepare students for the GMAT (Graduate Management Admission Test) set for MBA schools. The MBA Centre was formed by ESO (Euro-Schools-Organisation), a private educational organisation. The centre does not get involved in rankings, but tries to assess the suitability of particular schools and courses for students, depending on their abilities and goals.

However, Mr Kaufmann says any attempt at ranking schools contributes to more clarity on the business school scene. "It's like opening the lid and looking in." Since business school courses of one to two years cost up to DM120,000, he reckons people are entitled to know more about them than they are getting.

Mr Cox believes more companies and managers will seek MBA education, as industries become more global and employers try to develop a multicultural approach embracing different races, backgrounds, and customs. The MBA Centre, says Mr Kaufmann, has contact with 220 US business schools out of around 700, and with 25 in Europe out of 45 which offer MBA courses. Somewhere, there should be a course to suit most ambitious, able managers of the future.

## FOREIGN RECRUITS

### There's more talk than action

Companies are shy, says Barbara Casassus

with the fairs. France, Belgium and Holland all host a series of these during the year, which has made them the first choice of some British firms.

M&S, which has taken stands at fairs in all three countries this year, is now moving into the next gear in its recruitment campaign by making direct contact with higher education institutions and professors. It will next turn to Germany which has had no fairs until now, says M&S store recruitment manager Mike Shaw.

He was struck by the quality of students at a Paris graduate recruitment fair he attended last May, and by the dedication to academic grades.

The other three UK exhibitors in Paris in May - Barclays Bank, John Mowlem, and United Biscuits - had different aims. Barclays was looking for candidates for its new European management development programme, an offshoot of its UK graduate programme, and United Biscuits was fact-finding, as it does not intend to hire continental graduates until next year.

The response was "phenomenal", said Mike Whiteley, who like other firms, M&S began

looks after European graduate recruitment for Barclays. "I interviewed 15 candidates on the first day and four were suitable to go on to the next stage."

A poll in Paris of 170 graduates looking for a job in Britain showed that 55 per cent wanted to stay for two or more years, and that one in three aimed to build a career there. Sixty-two per cent said experience abroad was important for long term career prospects, and most of them were targeting the banking, finance and insurance sectors. Other favourites included the food/drink/tobacco, transport and communications, and retail industries.

ATS Quest will take part in eight events this academic year, including Germany's first two fairs - in Cologne (formerly West Germany) in September, and in Leipzig (formerly East Germany) in early 1991.

As well as staging the British pavilion, it will again organise fair visits by groups of personnel officers that are interested in recruiting in Europe but have not yet decided to exhibit.

The Royal Mail survey car-

ried out in the spring revealed that four out of five European students are willing to work in another country and that Britain, France and Germany are the top destinations in Europe.

The survey also showed that many UK companies do not believe a brain drain is approaching despite the Royal Mail's report in 1989 that said as many as 84 per cent of British undergraduates were prepared to move abroad to work. "Our latest surveys show that many employers are not taking the 'brain drain' warning seriously," said Royal Mail managing Director Bill Cockburn. Most were not convinced there was a shortage of graduates and few felt there was a crisis.

The 76 per cent now thinking about recruiting from Europe said their preferences were for West German and French graduates. After a year's training in the United Kingdom, some recruits would work for the company in their home country and others would be based in the UK.

The latest figures, published in the summer, indicated that 85 per cent of British students would still go abroad to work. This was more than in any other country.

Britain was a popular destination in order to improve English language skills and for career prospects, but Germany was thought to offer the best deal to business people, taking account of salary, status, quality of life and other relevant factors. Pay was not a top priority.

## THE POLYGLOTS

### It's not too late to learn to 'parlez-vous'

There are plenty of good reasons for learning a foreign language, says Peter Miller

GRADUATES who did not read languages while at a university or polytechnic - and for whom a logarithm table may be more familiar than a declension table - may consider the later acquisition of linguistic skills to be a low priority. But salary incentives or the desire or necessity to work abroad should motivate the tongue-tied to become tongue-tied.

Finding instruction can be a problem, not because of scarcity but because of overabundance. Language schools and private tutors appear almost to outnumber jobbing builders in the advertising listings.

The difficulty is that the industry is unregulated. There is no central registry of practitioners the way there is for lawyers or engineers," says

and membership secretary for the London-based Institute of Linguists, the body which promotes the use of modern languages and aims to improve the status of linguists working in all occupations.

The Centre for Information on Language Teaching and Research may be able to help. It sponsors conferences, maintains a library and publishes bibliographies and lists of sources, including notes on where to get programme schedules for foreign-language broadcasts. Funded by central government, the centre exists primarily to aid secondary school teachers. But it also does its best to counsel individuals and companies. It does not offer opinions about the merits of different courses.

Increasingly, training is

candidates who wish to use their new skill in business or commerce. The External Services Division of the School of Oriental and African Studies at the University of London runs courses in Japanese ranging from one week to six months' duration. These incorporate information on the organisation, customs and values of the Japanese market and use materials and techniques developed by the Japan External Trade Organisation's own language school in Tokyo.

Dzidra Stipnieks, assistant course organiser, says the courses "introduce business terminology at a very early stage."

A five-day intensive course in elementary spoken Japanese with instruction from 9.30 am to 5.30 pm each day costs £235.

one after completing a MBA at the London Business School. She intends to work as a consultant in Japan and wanted a grounding in the language "to demonstrate commitment" to potential employers.

"The emphasis on conversation is just right," she says about the short course. "Trying to master the writing systems at the same time so that you could, say, read a newspaper, slows you down considerably. This way you get much further, faster and feel you have really accomplished something."

Whether you decide to learn a language privately, at one of the commercial schools or through the services open to non-undergraduates offered by some academic institutions, it is a good idea to secure a

مركز صنع القلم



EUROPEAN COMMUNITY

# Channel crossing

Tim Dickson looks at the UK's Fast-Stream initiative

WOULD-BE civil servants who want to work in Europe now have a better chance of fulfilling their ambition thanks to a new scheme introduced by the UK Government.

The idea of the "European Fast-Stream" is to boost British representation in the European Community institutions - notably the European Commission - and to prepare candidates for the unfamiliar, lengthy, and generally uncertain selection process of landing a Euro-job.

The initiative is certainly timely given growing criticism during the past 12 months that government complacency over the relatively low proportion of British staff in Brussels risks damaging the country's interests. European civil servants are not only to be seen as their national allegiances but as other member states such as France and Italy have consistently proved over the years it pays to have people in crucial policy-making areas who at least understand if they do not necessarily promote your point of view.

The British are particularly poorly represented in the junior grades and that is what the new scheme intends to put right. The plan is that 30 graduates each year will be selected through the Civil Service Commission's "Appointments in Administration and Economics" Recruitment Scheme to join the so-called "fast stream" of the home civil service.

They will initially be offered a programme of relevant work experience in a government department, together with appropriate training, including coaching for the EC entry competitions and language skills if necessary. They will then have a job in the home civil service for a year, after which they will be selected to take the EC competition and then to find a suitable post.

Success in Brussels cannot be guaranteed, selection can take up to a year and even those who do pass the tests are only placed on the so-called "reserve list" and have to lobby for a proper post. On the other hand recruits should at least benefit from proper preparation.

aration, acquire the type of work experience generally needed by the EC. Community institutions as a rule do not take people straight from university. Newcomers will receive help in overcoming the many practical problems of crossing the Channel.

The Fast-Stream scheme is open to graduates (and undergraduates in their final year) in any discipline who hold or expect to hold a first or second class honours degree. Traditionally the EC institutions have favoured lawyers and economists but following representations this year by the British government the European Commission has agreed to hold more "generalist" competitions for graduates from all backgrounds. The point is that these test aptitude rather than knowledge. The normal age limit for those taking the competitions is 35, but the line has been drawn at 33 for the UK's Fast-Stream intake.

Details of the competitions - including examples of tests - the selection procedure, and salaries and benefits in the EC institutions are set out in a well-produced booklet which can be obtained from the Civil Service Commission.

Besides the chance to help advance the "1992" programme, shape Community environmental policy, or investigate monopolies and mergers - some of the range of jobs are illustrated in personal profiles of satisfied "Brits" in the above publication - there is certainly much to commend in Brussels from the agreeable quality of life to the potent mix of different nationalities.

Far-sighted graduates, however, should beware of the longer term risks. Career planning in the Commission - and indeed the other Community institutions - is far less sophisticated than in Whitehall and promotion to the top jobs from within the system is fraught with difficulty. At the moment there is a whole raft of British-born Eurocrats stuck in the middle echelons of the bureaucracy frustrated because they are "stuck" and bitter at the way in which the

very senior posts (directors-general and deputy directors-general in the top AI salary grade) are filled by "parachutists" from Whitehall.

Many of the older hands in Brussels say the Fast-Stream is all very well but that it should be accompanied by a change in policy so that British-born candidates within the Commission are backed in the highly political and highly nationalistic battle for the top jobs.

It would also be wrong to suggest that the UK civil service is the only route to a career in the Community institutions. Among the other possibilities worth considering is a post-graduate course in European studies, not least at the College of Europe in Bruges. The British Government is offering up to 30 bursaries for the academic year 1991 to 1992 at the College, which has a good record of getting its "alumni" into the Commission and is a profitable hunting ground for Euro management consultants and lobbyists.

Another option is the "stagiaire" scheme run by the European Commission and some of the other EC institutions, which offers in-service traineeships consisting of work attachments and training. Each "stage" - pronounced it the French way or you'll be eliminated immediately - lasts three to five months and can be a way to a permanent appointment. The patronage - or at least the support - of an MEP, Commissioner or senior Commission official is extremely helpful though past experience suggests that there is less demand for the unofficial British "quota" and that fewer strings therefore need to be pulled.

**Civil Service Commission, Alencon Link, Basingstoke, Hampshire RG21 1JB. Tel: 0256 465551. Other useful contacts include The Recruitment Unit, The European Commission, 200 Rue de la Loi, Brussels 1049; The European Staffing Unit, Cabinet Office, Horse Guards Road, London SW1P 3AL; UK Committee for the College of Europe, King's College, London, Strand, London WC2R, 2LS.**

CALLING all engineers and computer scientists - France needs you.

The country is suffering from a desperate shortage of qualified engineers to work in research and development, and of computer scientists for software houses. "Everyone has woken up to the shortage at the same time, so if they cannot find what they need at home, they will have to start looking elsewhere," commented Jean Prevel, deputy director of the government executive recruitment agency APEC.

France is not strong in computer hardware, but it has a large software sector that offers wide employment opportunities, even though it is having a rough time at the moment.

Mr Prevel advises graduates with relevant degrees to send unsolicited applications. They will not only receive a reply, but perhaps a return plane ticket as well," he declared.

Another plus for new graduates is that they traditionally account for about 23 per cent of French companies' annual intake of executives, which is more than any other of

FRANCE

# Many on the wanted list

Europe's major economies, and is at the other extreme end from Germany. "Experienced executives are in much stronger demand than graduates there," Mr Prevel explained.

Apart from trying to fill the gap for those specific sectors, talk about recruiting overseas is still way ahead of action. "Although many say they intend to look abroad for executives, only a few are actually doing so at the moment," Mr Prevel said.

There are exceptions however. The Banque Indosuez, which has 80 per cent of its staff working outside France, launched an international graduate recruitment programme 18 months ago. Eight have been taken on so far - from the US, United Kingdom and Sweden, according to David Grove, head of the bank's graduate recruitment. "Nationality is no longer important," he commented. "We are looking at the recruit-

ment on a worldwide basis." The number of foreigners working in France has quadrupled over the past year to about 50 out of 2,500.

Chemicals group Rhone-Poulenc, which now generates more than 70 per cent of sales overseas, set up a training scheme for young foreign executives about three years ago. This means four months in France learning the language and the culture, and then taking up one post in France and another in a third country before returning home. About 20 recruits have been drawn from the US, Japan, Korea, Germany, Holland, Belgium, Spain and Brazil. The group has no policy to recruit abroad for its operations in France.

"We need executives with international experience, and select them primarily on their competence to do the job," said Andre Ricard, head of recruitment and training. Computer manufacturer Bull

has recruited abroad for a long time, but has accelerated the pace over the past two years. Since 1989 the group took on 800 employees in France, of whom more than 100 are foreign, said Personnel Director René Bannier.

In contrast, the food group BSN leaves recruitment to local operations overseas, and therefore has no need to employ foreigners in France, a spokesman said.

As for corporate culture, the French formality is starting to break down in some companies, but shaking hands with colleagues, and addressing them by the formal "vous" instead of "tu" remains common practice. It can also take a while to be on first name terms.

One habit foreigners sometimes find difficult is the constant round of meetings. "The French will spend hours discussing an issue, and do not seem to mind if no decision is

reached," commented an American working for a large manufacturer. "The problem is that it will then take a long time to fix another meeting, as everyone has so many meetings in their diaries already." Even French executives can find the habit frustrating. "We suffer from a disease called 'meetingitis'," one manager said.

On the other hand, holidays take a higher priority here, and will sometimes be taken regardless of a momentous event occurring. The American-style business breakfast is not unknown here, but it is certainly not supplanted lunch for enhancing customer relations. Lunchtime is shorter, however, and will not be accompanied by as much wine as in the past.

More generally, executive recruitment is expected to grow faster than the average increase in France, Italy, Holland and Belgium up until the end of this year, according to APEC's second annual European survey of employment patterns and intentions, published last week.

Barbara Casassus

YOU CAN sum up the chances of coming to work in the United States in two words, "Good luck."

"No way," will also do. Or in the words of a State Department official, "Virtually impossible."

Due to restrictive laws, it is best to have a job waiting for you, say, as a trainee for a multinational corporation. Do not expect to arrive on a tourist visa and be hired on the spot.

But with a little perseverance, hard work and connections on your side of the Atlantic, you could find yourself working on New York's Wall Street, or on your way to the studios of Hollywood.

In the American way of doing business, it's "work hard, play hard" - as different from Britain as a rowdy baseball stadium is from Lord's cricket ground.

"In the States, we take work more seriously," says a man who has worked for British and American firms in the US. In the UK, he says, work is more a means to an end. In America, it's life.

You had better be an early riser because in the US work often begins over a 7am breakfast meeting and the ball gets

UNITED STATES

# What you know is crucial

rolling by 8am. Indeed, American executives also work late - 12- or 13-hour days are the rule more than the exception.

Lunch is often at the desk with sandwiches and mineral water. No three martinis, or pints of lager here. In fact, drinking alcohol during the day and meeting the pals at the pub is looked down upon.

Here one is more likely to play a game of squash during lunch, discussing corporate strategy between serves.

For women, the US can provide a far more hospitable environment. While limitations still exist, women have far more opportunity than in the UK to move up the corporate ladder, says a British woman working in New York.

She adds that women here dress more formally for work in suits and heels. Women call it a uniform, and indeed it is.

Relations with your boss are less formal with even secretaries on a first-name basis with Mr Big.

But there is a down side. Vacations are generally shorter, two weeks for new employees. Benefits such as health insurance are often deducted from pay, salary increases and bonuses may not be guaranteed and maternity pay is rarely longer than six weeks.

Getting permission to work in the States may depend more on what you know, rather than who you know.

According to the State Department, US work permits are actually immigration visas which are given out to those with close relatives already in the country legally and are very hard to come by. There are quotas and restrictions as long as your arm.

But people with unusual qualifications do stand a chance. For instance, if you were the only graduate your year in an obscure branch of quantum physics, or the star player on your university football squad, you may be able to

get working papers.

In that case you would most likely have a special and highly-coveted H Visa or J Visa for teaching, lecturing, training or for persons of "exceptional ability" such as actors, athletes or scientists needed for a specific job. Nannies or au pairs who live with a family may also be included in this category. Information on these visas is available from the US Information Agency.

But for the vast majority, finding legal employment will be far more difficult. The US Immigration and Naturalization Service uses the word "deportation" when discussing foreigners seeking work in America. For example, if you are caught working on a travel visa, you could be deported. If you are here on a student visa and work without the approval of your host American university, you could be deported.

One way to circumvent these harsh regulations is to

find work, say as a domestic or a waiter, and be paid in cash "off the books".

That way, you do not show up in your employer's legal records and he does not need to pay various taxes and insurance premiums required for all staff.

Many hope their employers will eventually sponsor them for official and proper work visas. That means the employer takes full responsibility for your welfare and proves that your job is secure and you will not become a ward of the state.

But it's pretty tough to prove a waiter is indispensable and few owners of grocery stores or boutiques will go out on a limb for one worker.

After all, there are thousands of American young people who can be hired with no problem.

But although the difficulties are enormous, you must bear in mind that America is jam-packed with illegal immigrants from every country in the world, most of them employed. So, as the American credo goes, where there's a will, there's a way.

Judith Schoolman

ITALY

# Attitudes seem to be changing fast



Olivetti factory: a more international profile

representatives of more nations in their management," says Edoardo Micheli of the European Business School in Parma. Although slow at the start, "they are moving faster now," she thinks.

Even if Italy's biggest companies are still behind some of their European competitors, there are always the leading US multinationals such as Procter & Gamble, IBM Italia and Citicorp.

Big US multinationals are well established in Italy. So for the graduate who fancies spending some of his or her working career in Italy, there may offer an easier point of

entry than indigenous groups. Legitimacy will not be a problem for European Community citizens, but even they must prepare themselves for the trying test of Italian bureaucracy while they get their documents straight.

All the more reason to have a reasonable command of the language - probably the basic requirement for any graduate thinking of working in Italy. While some multinationals, particularly banks and consultants, may use English as their lingua franca, a command of English is much less widespread than might be expected, especially among older genera-

tion managers. Certainly it is hard to imagine a graduate making any headway with an unsolicited application to an Italian company without at least a modicum of language skills. And irrespective of their linguistic abilities, women may find themselves at a disadvantage. Italian management remains very male-dominated.

Once employed, foreigners can expect a more open-minded, civilised working atmosphere than they might expect in many other European countries. Hierarchies are less obvious, and there is a greater readiness to listen to new ideas and accept improvisation.

But anyone expecting to be treated on a first-name basis from the outset will be disappointed. Relationships in Italian companies can be more formal than expected - although admittedly never as stiff as in Germany. And management by shouting is by no means unknown in a big Italian office.

The style is "The German model softened by Latin politeness," says Luigi Tava, director of the MBA programme at Milan's Bicocca University, which is something of an Italian Oxbridge for economics and business studies.

Hours can also be taxing, at least in the north, which seems to have adopted the north European business habit of starting early and the Mediterranean attitude of finishing late. "That can be a problem, especially for the Germans, who are used to a much more fixed working day," says Professor Carlo Secchi, chairman of the Bocconi's international relations committee.

Whether the extended day worked by some northern Italians is actually productive, is another matter, but newcomers should not be surprised if they are expected to work long hours. At least holidays tend to be more generous than in the UK, with five weeks the norm.

Apart from some knowledge of Italian, a keen intuition is probably the most important asset for any aspiring foreigner. Italian businesses tend to be highly personalised, and even the biggest companies are generally identified with their owners or main shareholders.

A manager not immediately responsible for a given area can carry a lot of weight, perhaps because he used to run the department before, or has a close personal link with the person now in charge. And in Italy's abundant small-and-medium-sized family-owned concerns, outsiders should never forget that it is the family which ultimately calls the shots.

GERMANY

# Openings for foreigners are rare

THE truly "European" or "global" manager may be a much-valued concept, but he (let alone she) is in practice remarkably little in evidence.

"The recruiting process is still very far from being international," says Mr Joe Defregger at headhunters Korn Ferry International in Frankfurt. Foreign graduates with a desire to work in Germany will have to hunt quite carefully for a range of suitable openings.

To begin with, given the overall size of the German economy, there are surprisingly few really multinational firms. The existing ones have arguably been slower than Anglo-Saxon companies to decentralise and let the further reaches of their empire develop into local, rather than transplanted, German, operations. Only relatively recently have a handful of the elite blue-chip German companies begun to stress the importance of cultivating foreign talent for top management positions abroad.

Equally, a number of firms complain that potential employees are themselves insufficiently mobile and adaptable. Siemens, for example, complains it cannot attract - and keep - nearly as many foreign graduates as it would like to.

A Siemens official recalls one advertising campaign in England through which the electronics multinational hired 40 software developers to move to Munich. After two years all had gone back to England "because they missed their pubs", the Siemens official laments, adding that the new recruits had liked both their jobs and their salaries but could not get used to the "beer-garden culture." (And Munich is easily one of the most attractive cities in Germany.) He notes that all concerned got handsome job offers elsewhere on their return.

The financial services industry is one sector at the forefront of a more international recruitment drive. Deutsche Bank, Germany's biggest bank, has since 1987 consciously refocused its international banking training programme - a project fostered by the late Alfred Herrhausen, its energetic and outward-looking chief executive.

"We hardly distinguish any more between Germans and non-Germans," says Mr Christoph Will from the personal department at Deutsche Bank in Frankfurt. About a third of the 200-odd trainees selected



Deutsche Bank refocused its international training programme

group management trainee programme come from schools outside Germany.

Meanwhile, campus recruiting tends to be done locally - at least as far as Deutsche Bank is concerned. English graduates, for instance, will start their 12- to 18-month training programme in London, with a six-month stint at the Frankfurt head office. But this by no means determines a return to London when they are qualified.

Mr Will cites as not atypical a French graduate who trained for a year in the UK with a spell afterwards in Frankfurt who is now qualified and working in the bank's Italian subsidiary.

Linguistic ability in Germany is pretty much taken for

will be assumed to speak a second and probably a third language more or less fluently. Consequently foreigners stumbling over their German can generally expect to get short shrift.

Deutsche, for instance, will want candidates to be able to cope with the Frankfurt part of the course without much prior help from their new employer.

Meanwhile, foreign students should be prepared to find their German contemporaries considerably older - not leaving university at least until their mid-20s - and with a good deal of job-related studying under their belt.

In many conservative German industrial firms it is still inconceivable that aspiring managers should not have

business studies. Economists, lawyers and business studies graduates are also better understood in the banking world. Dresdner Bank, the second largest German bank, which is also beginning to recruit more actively overseas, says: "It may be irrelevant to a Barclays Bank what their graduates have studied, but we are quite keen to see candidates who have studied something connected with banking."

In general, the attractions of working in Germany are considerable - particularly given the gradual opening of eastern Europe, a turn of events for which the country is clearly geographically and culturally ideally placed.

All the same, graduates considering Germany should be advised that the local business environment has its quirks, and may require some efforts at adaptation.

Considerable patience and a willingness to abide by apparently idiotic rules are necessary in many departments of German life, and business is no exception. Innovation and flair can be treated with distinct suspicion.

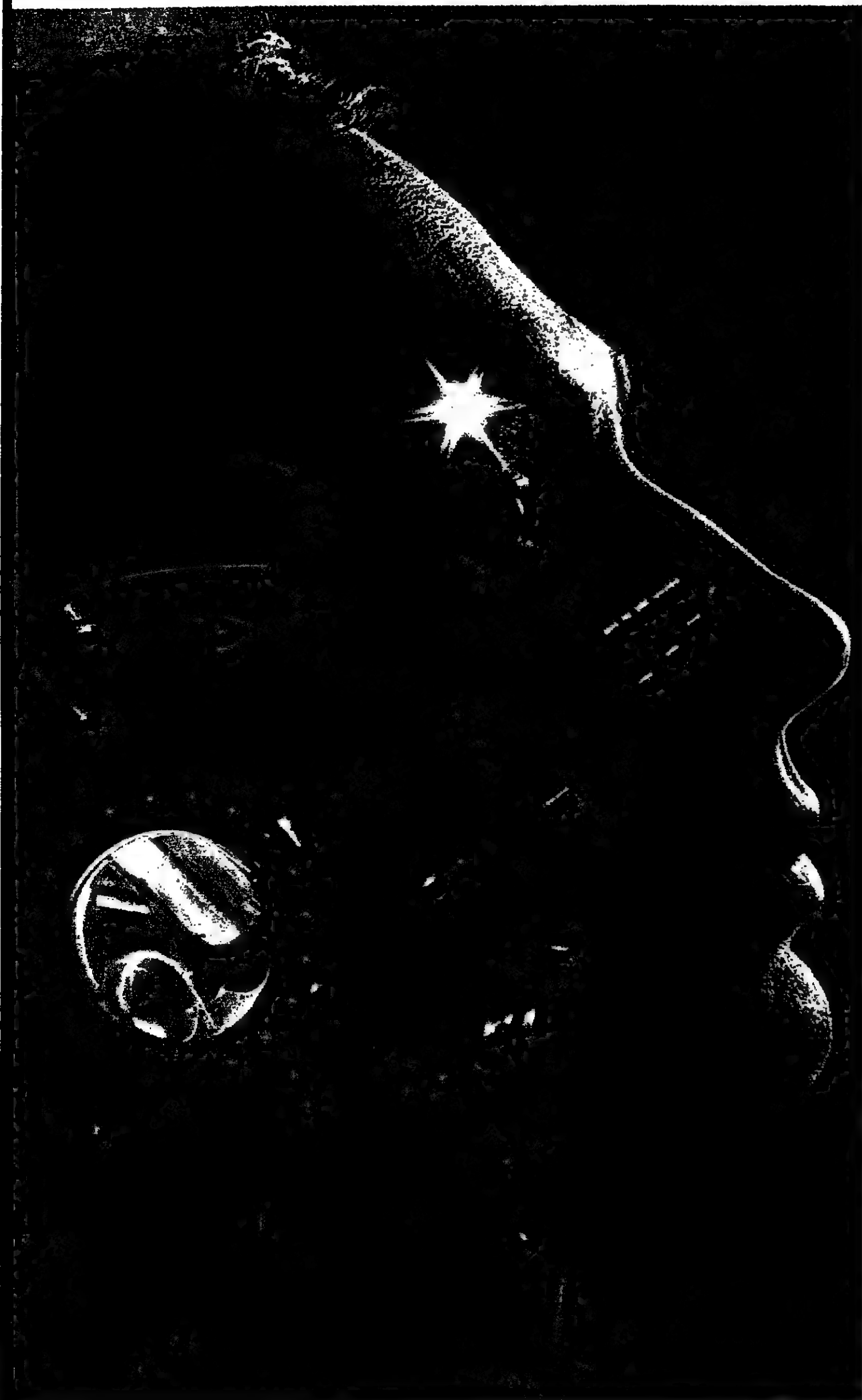
Ambitious students will find that age and seniority are still more closely linked in a German firm than a smooth talking personnel officer will have them believe.

Again, the formality of German office life can be off-putting. A first name is virtually superfluous in this country, everyone being addressed, even after years of acquaintance, as Herr Robinson or Frau Campbell. And the stiffness often goes well beyond mere appellations.

Another thing to bear in mind is that your new German employer will probably assume he is hiring for life. Even at Deutsche Bank, Mr Will says that 80-90 per cent of the top jobs are filled from inside - "why should you leave the bank with those prospects?" is his question.

Last but not least (as the Germans are fond of saying) prospects for women, while improving, lag far behind those in the UK, let alone America. A surprisingly high proportion of women do not work at all (cynics would say because catching the shops open is a full-time occupation) and German businessmen occasionally demonstrate only too clearly how unused they are to coping with women in senior positions.





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# CareerChoice

COMPREHENSIVE A - Z GUIDE TO GRADUATE OPPORTUNITIES



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Graduates all: 125 people (picture left) line up to illustrate the wide variety of career opportunities on offer

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# A

ACCOUNTANCY  
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## ACCOUNTANCY

### Passport to job mobility

IN NO other country in the world does the accountancy profession exercise such an allure over the student population. In the US, bright graduates may aspire to be lawyers, and in West Germany they may set about becoming engineers, but in the UK, they decide in their thousands to become accountants.

Estimates vary about the total number of students going into the profession this year, but it is likely somewhere between one tenth and one sixth of all graduates will opt for a job in accountancy. Even those doing the recruiting scratch their heads and wonder whether this can be good for the country.

For most people, the attraction of any type of accountancy job lies less in the work itself than in the qualification gained after several years of study. The possession of such a qualification is a passport to job mobility and provides a guarantee of financial security for the rest of your life.

The early years are hard, but those willing to stay for a genuine pay-off. After earning a professional qualification, the opportunities blossom.

However, they do not blossom equally for everyone. Only the accomplished will be able to name their jobs; most others will simply be offered better paying jobs in accountancy and general finance. It is unwise to regard accountancy as a passport to top management.

In the short term, those contemplating applying for accountancy jobs should ask themselves some very basic questions, the most important of which is: do I really know what a trainee accountant does? Having established the answer, you must ask yourself: am I absolutely certain I am suited for it?

There are several types of accountants, but roughly the division is between those who work in the profession (such as chartered accountants) and those who are in industry or the public sector.

In the profession, you tend to make your living by doing audits, while in industry you get involved in all aspects of financial management. In the former, you will be employed by an accountancy firm, large, medium or small; in industry, the typical employer would be a large company. The work will differ markedly, as will the content and structure of your professional training.

In the early years, the job itself is likely to be tedious, unchallenging intellectually after undergraduate life. Combine that with the pressure of studying for exams in your own time, and it is not surprising that many people either give up in despair or stick it out in a state of great personal unhappiness.

A typical day's auditing in one's first year may involve finding a client's cash book and cross-referencing entries to a bank statement. There may be a bit of photocopying as well, not to mention making coffee and collecting the partner's sandwiches. In the second year, you may take responsibility for planning who and how many people will look at the cash book and do the photocopying.

People with a natural grasp of numbers, and understanding partners, are in the best position to emerge at the end of the qualifying period with their sanity and social life intact. Those with engineering degrees do not tend to complain, but graduates in English or French do.

Although the job of accounting and auditing may be tedious, fellow trainees and your superiors are likely to be young and intelligent. More than half the 6,427 graduates who started to train as chartered accountants last year had first class or upper second degrees. Many trainees warm to the camaraderie and the team spirit, made all the more intense because of an "all in it together" mentality. Careers tend to be highly structured so that you will not be left to flounder on your own. Also, salaries rise very quickly.

Most of those who go into the profession do so because they wish to postpone decisions about the rest of their working lives until qualification, while those who go into industry straight from university probably have a much better idea of what they want to do and what they are letting themselves in for.

Rather than mindlessly joining the crowd, the best bet is to get some experience of the work you would end up doing before taking a job. There are many schemes



One in 10 UK graduates opt to become accountants but each must ask: am I absolutely certain I want to be one?

to the individual accountancy firms and recruiters, for more details.

Further information: The Institute of Chartered Accountants in England & Wales: PO Box 433, Moorgate Place, London EC2P 2B3; Chartered Institute of Management Accountants, Education and Training Department, 63 Portland Place, London W1N 4AB; Chartered Institute of Public Finance and Accountancy, 3 Robert St, London WC2N 6BB; Institute of Chartered Accountants of Scotland, 27 Queen St, Edinburgh EH2 1LA; Chartered Association of Certified Accountants, 25 Lincoln's Inn Fields, London WC3A 3EE; Institute of Chartered Accountants in Ireland, 57-59 Pembroke Rd, Dublin.

David Waller

### Six ways to avoid a culture shock

IT USED to be said that you could walk from Cambridge to Oxford without stepping off land belonging to the two St John's colleges. It is now almost - possible to say the same thing about London, except that the landowners in this case are buildings housing branches of large accountancy firms.

The accountants are everywhere. After a decade of unprecedented expansion, the very biggest of the firms are now multinational organisations, employing tens of thousands of people across the UK and continental Europe. They do everything, from straightforward auditing to exotic forms of management consultancy.

The big firms exert a big pull over the UK's student population. Graduates of all disciplines are attracted by the idea of qualifying as chartered accountants while working within a "brand-name" firm, the mere mention of which in later life ought to be a badge of quality and guarantor of above-average earnings.

After a spate of merger activity last year, there are now six big international

firms, distinguished from their not-so-small competitors by their commitment to serving large, multinational clients. The biggest is Coopers & Lybrand Deloitte, with a UK fee income of \$531m last year; the smallest Arthur Andersen, with fees of more than £300m in the year to August.

The would-be chartered accountant signs a three-year contract. He or she has to pass three sets of fiendishly demanding professional exams, while taking on ever greater responsibility for the sort of work which generates fees for the partners who own the firm. Average starting pay for 1990-91 seems to be £12,500 in London and £9,500 in the provinces.

To the uninitiated, the big six are difficult to tell apart. Go for an interview at any of these huge organisations, and a polished recruitment professional will tell you that only in his firm is it possible to audit lots of big companies, pass your exams first time, and enjoy yourself in the company of interesting people to boot.

In fact, the firms all have distinct characters of their own, different "corporate cultures". Knowing something about the peculiarities of the individual firms could help you make a better-informed choice than if you took the recruitment professional's word for it. It could also mean the difference between abject misery for three years, and quite a good time.

Here is an informal guide to the Big Six. The aim is to identify a couple of adjectives to describe each firm's culture, and then to suggest a line of inquiry which you could pursue at interview.

■ Coopers & Lybrand Deloitte, formed earlier this year out of the merger of Coopers & Lybrand and Deloitte Haskins & Sells, could be described as big and aggressive. Under senior partner Brandon Gough, the firm has pursued aggressively the top slot in the UK market. Try to find out what it is really like to be a tiny fish in an ocean of more than 8,000 staff.

■ KPMG Peat Marwick McLintock is also aggressive, and it is commercial. With 7,500 staff, it is not too small either. Being auditor to the Royal Family, it has a reputation for being crammed full of ex-public school boys, but Colin Sharman, head of the consulting division and

a grammar school boy himself, says that it is meritocratic and that the firm embraces "a cult of the individual". Ask what that means.

■ Ernst & Young, formed last year out of Ernst & Whinney and Arthur Young, reaped dividends for putting its merger together before anyone else's, with a minimum of fuss. It is well-managed and has an impressive portfolio of clients, as well as a fast expanding practice in the Eastern bloc. Ask about opportunities for Polish and Hungarian speakers.

■ Pricewaterhouse is a name that has been virtually synonymous with the accountancy profession in the UK for a century or more. Rightly or wrongly, it failed to put together a merger with Arthur Andersen last year and slipped down the league table as a result. It still has a superb collection of clients, a reputation for arrogance, and a sense of humour. Some of the nicest people in the business: ask about the staff swimming-pool at head office.

■ Touche Ross has recently jumped up the league, displacing Arthur Andersen as number five in the summer as a result of a merger with Spicer & Oppenheim, formerly one of the top medium-sized firms. This was a coup for Mr John Roques, the recently-appointed managing partner, and did something to salvage a reputation damaged last year when the firm failed to merge with Deloitte, partners in which preferred to be swallowed up by Coopers. Ask whether you will have to work too hard: Touche merged with Deloitte elsewhere in the world, and a lot of Deloitte business has been referred to Touche in the UK as a result.

■ Arthur Andersen is probably the most intensively-managed professional service business in the world, and comes the closest to being "one firm" around the world, despite a structural fissure between its extremely successful consulting side and its auditing business. American in style, a Calvinist work ethic prevails. The writer of this article worked there for a year and found it unbearable: others find the atmosphere extremely stimulating and can never tear themselves away. The firm is different: ask what makes it so.

Happy hunting!

David Waller

### Your indecision need not be final

THE great virtue of opting for a training contract with an accountancy firm is that you can defer for at least three or four years taking decisions on precisely what sort of business career you would like.

By the end of that time, the theory goes, your job as an auditor will have exposed you to so many different

businesses, of varying sizes and in a multiplicity of sectors, that you will be well placed to sort out what to do next.

Many - if not most - newly-qualified chartered accountants do not, of course, opt to stay in the profession. They flock to the City or go into industry where tens of thousands of chartered accountants have gone before.

For those students who do not wish to put off the decision for three or four years, and have a good idea what they want to do from the outset, there is another route into industry: to train as a management accountant.

This is a very different kettle of fish from a job in an accountancy firm. One does not float from client to client, assessing whether their accounts are "true and fair". The trainee management accountant is - in the early stages of a career at least - responsible for preparing those accounts.

If the type of work differs from that done in the profession, so does the training. In essence, training in industry is less formal and less structured than at an accounting firm. Companies organise it as they see fit: there is no broad pattern as there is among accounting firms.

The aim is to qualify as a member of the Chartered Institute of Management Accountants, which requires one to pass four sets of exams, and to accumulate a minimum of three years of relevant experience. The examinations can be taken via correspondence courses, or by day-release: it is up to the employer.

The sort of work that the trainee will be doing on the way to qualification will fall

broadly into the following categories: management accounts (which includes a range of tasks, from simply preparing accounts and budgets, to analysing what the figures mean); internal audit; systems work; strategic planning, and treasury management.

The early years - perhaps the first two - will involve a significant ratio of drudgery. The work one will do at that stage inclined to be technical and clerical in nature, as one goes up the organisation, the technical content of the job will diminish and general management responsibilities assume more importance.

Jobs are on offer from numerous UK companies in all sectors, from heavy manufacturing to light engineering and publishing. Not all of these are pitched exclusively towards graduates: the proportion of school-leavers training for the CIMA qualification is much higher than for the ACA.

Big blue-chip companies - as well as some public sector organisations - offer training schemes tailor-made for graduates.

Such companies tend to have numerous subsidiaries and the trainee would find him or herself working in a succession of different businesses, at the same time as working through a succession of different technical disciplines.

Under such a scheme, the aim would be to become the finance manager - even the finance director - of one of the subsidiaries or business units, after three to four years, which is about the same sort of time that it takes to qualify as a chartered accountant.

History shows that the opening pay for these schemes tends to be better than the starting salaries for those joining the big firms (£9,500 to £12,500 for those beginning work in the autumn), although that premium is eroded over the next few years.

Once qualified, the management accountant can choose to work in whatever industry he or she likes, and in whatever country: accounting skills are very transferable.

But there are few - if any - glamorous City jobs going, for example in stock-broking or corporate finance.

That reflects the fact that the training concentrates on the preparation and interpretation of figures for internal management use, rather than on the so-called financial accounts published by companies for the delectation of external users such as analysts and financial journalists.

Making the switch from playing a purely technical role to being a general business manager, is a function of time - and character.

As time goes on, the management accountant will have plenty of opportunity to demonstrate to peers and superiors that he or she is more of a manager than an accountant.

The CIMA qualification is not as glamorous as the ACA, but that has not stopped Michael Checkland becoming director-general of the BBC, or Allen Sheppard becoming chief executive of

## ACTUARIAL SCIENCE

### Last laugh for the figure fanatics

AN ACTUARY, the saying goes, is someone who found accountancy too exciting. But Britain's 5,400 qualified actuaries are apparently having the last laugh. Not only is this one of the UK's best paid professions - the newly qualified actuary can expect to make comfortably more than £30,000 a year - but actuaries also now occupy some of the most powerful positions in the City.

The actuary's basic task is to use the mathematics of probability and statistics to manage insurance companies and pension schemes. But the role of actuaries has developed beyond that: they manage some of the City's largest investment funds and run multinational financial institutions.

The profession is still expanding fast. Five years ago, the London-based Institute of Actuaries calculated that by 1995 demand for actuaries would grow by 60 per cent. That forecast still holds. In the two areas where actuaries still reign supreme - pensions and life assurance - a flood of new government legislation and the challenge of the European integration have all made new work for the profession. Last year, there were 438 new actuarial trainees in England and Wales, and that number is expected to rise by 10 per cent annually.

Although as many as 80 per cent of graduate actuarial trainees have pure mathematics degrees, an actuary does not need one.

For most people in the profession, A-level mathematics is probably adequate," says Mr John Waugh of the Institute of Actuaries. Oxford-based educationists, too. Although most employers still expect their trainees to have studied a science-based subject at university, some will look at arts graduates, too.

These days the job of an actuary involves strategic management, marketing, or even planning mergers and acquisitions for foreign expansion. An actuary might well be asked to analyse a new project, like building up a network of estate agencies as a sales channel, to assess just how profitable it would be and to estimate potential profits.

In the words of Mr Bob Parfett, who is the assistant manager responsible for actuarial training at Pearl Assurance: "These days we can all produce lots of numbers out of a computer at the drop of a hat. The important thing is to be able to interpret them. And the actuary also needs to be a good communicator, so that he can explain his findings to non-actuaries."

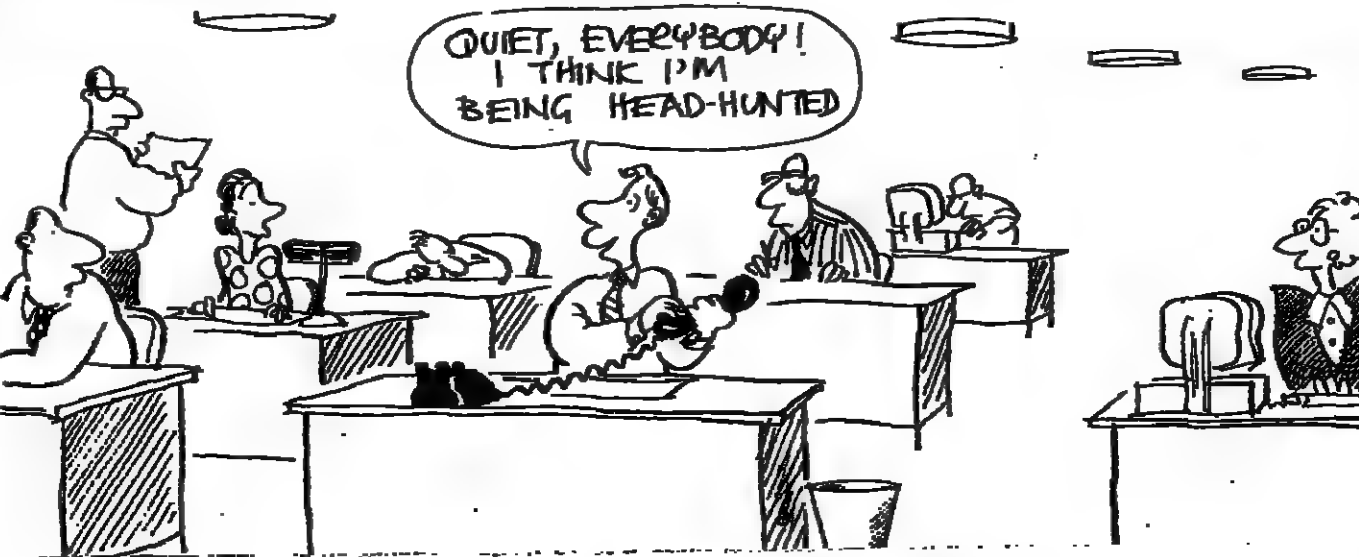
Nobody contemplating a career as an actuary should underestimate the hard work required. Most employers expect at least an upper second-class honours degree, and some aspiring actuaries also go on to take the post-graduate degrees in actuarial science offered at the City University in London, the London School of Economics, and Heriot-Watt University in Edinburgh.

But the steepest challenge is to pass the challenging professional examinations set by the Institute of Actuaries, the Faculty of Actuaries, and the Society of Actuaries. Eighteen months is the shortest time anybody has ever taken to complete the examination but seven years is still the average required for students to pass the Institute's 24 compulsory examination papers. Each lasts three hours and covers topics ranging from the hard core mathematical subjects to pension fund planning and management.

Employers do try to help smooth the path of the trainee, for example, by offering generous study leave. At Clay & Partners, for instance, one of the UK's leading firms of consulting actuaries, trainees are expected to finish their examinations in between three and five years, but they receive one day of study leave each week. However, most employers will also expect their trainees to be earning their keep very soon after they arrive, and the work load can be quite heavy.

In spite of the demands of the job, it remains a very attractive one. The average starting salary for most actuarial trainees is about £14,000.

Further information: Institute of Actuaries Actuarial Education Service, Napier House, 4 Worcester Street, Oxford OX1 2AW; Faculty of



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## ACTING

## Where the going gets tougher each year

ACTING imposes fewer conditions on its acolytes than any other vocational career. No rules apply about prowess — physical or mental; size; appearance; intellect or academic qualifications.

More than religion, more than medicine, more than law, acting is the calling *par excellence* where the call is all; and nobody contradicts you if you call yourself an actor the day you leave school.

That is the trouble. As Peter Plouviez, the worried general secretary of Equity, points out, the actors' union is two and a half times the size it was just over 20 years ago (18,000 membership in 1969, 46,000 now) "and the amount of work has not grown".

But since the membership of Equity is related to work experience — not even drama school graduates get membership without a job in the first place — does not that suggest that work is plentiful, at least in the early part of a career?

Mr Plouviez agrees, albeit with a certain irony. "Young actors earn better in the first two or three years than subsequently."

"Just out of drama school, they're likely to go into provincial rep, and they're quite popular as good-looking young people at a low weekly salary." This is a regular pattern. "It's not so bad at the start; it's very, very bad when you try and earn more and you stay in London, do one or two jobs on TV. Often you earn much less."

There is no longer a closed shop. The aspirant Thespian can form his own group with like-minded hopefuls wherever a space can be found. London is full of fringe groups in rooms over pubs as an increasing number of enterprising young actors decide to make their own opportunities. "Hundreds come

straight from the street into acting," sighs Mr Plouviez. However, a quota system regulates newcomers to established repertory companies. A repertory company can take only one completely untrained beginner.

But the days when success with the Oxford University Drama Society or Cambridge Footlights meant an automatic entrée to the highest reaches of the profession are gone. Says Siobhan Bracke, casting director of the Royal Shakespeare Company: "The university actor hasn't usually had as good a training as drama school gives — he knows less about movement, body or voice." Most schools now offer post-graduate courses for the older entrant.

Besides technique, the drama school offers practical know-how in contacting agents and directors. The regional drama schools make a point of mounting showcase productions in London for senior students. Practical teaching ensures that the bread-and-butter jobs can be tackled — riding, fencing, the basics of film and TV work. Illusions soon give way to the realisation that Olivier's fame and Caine's fortune are less important objectives than simply staying in work, from TV commercials to West End musicals.

Indeed, the RSC is disturbed at the "alarming number" of young actors who have not worked on classical texts; another sign of the TV/Light Entertainment orientation that is accompanying the depletion of the provincial rep, once the backbone, and pride, of the British theatre.

Once in the profession, the actor can find specialised categories: recent success stories include Tara Arts (Asian actors), Black Mime, and Graeae (handicapped performers).

But the sexual composition of Equity membership — 52 per cent male to 48 female — is misleadingly optimistic over women's opportunities. The notorious paucity of good roles for women between the stages of *Ingénue* and *harridan*, *Ophelia* and *Lady Macbeth*, means frequent retirement for a decade in one's thirties and (if lucky) emergence as a tougher character actress in middle age.

Shakespeare regrettably leads the way with four or five times as many male characters in his plays as female, and modern writers are only just beginning to do better.

Ethnic minorities find casting is colour-blind to the point of positive discrimination: one eminent Shakespearean was dissuaded from *Othello* not so long ago by black activists.

Critics who carp, from naturalistic criteria, at, for example, black nobles in 17th Century Scotland, are branded as racist. As the recent American Equity debate over *Miss Saigon* proved, race issues are hideously sensitive, leading to confusion and bitterness. Black or Asian actors often blame discrimination for unemployment, but a glance at their white counterparts would suggest this is unrealistic.

Equity reminds us what direction the theatrical course usually takes. "There's a huge crossover from the profession after about nine years — or when you can't support the wife and children, when you can't afford to live at 35 or 37, having started at 23."

Siobhan Bracke of the RSC observes a new impatience in young actors "to get there fast, to get mortgages". Hence an unwillingness to commit themselves to the company life on a provincial stage, away from the limelight of London and the TV job that could be worth a year's theatre salary.

The last official survey of actors' earnings applies to the year 1987/8 when 72 per cent of the profession earned less than £10,000. More than half earned less than £5,000; just over a quarter less than £1,000. One per cent made more than £50,000.

"The median earnings," comes Mr Plouviez's doom-laden sentence, "were £3,750." He pauses gloomily. "If I were an actor," he reflects, "I'd be a journalist. Or work for Equity."

Further information: for a general prospectus of drama schools write to Webber-Douglas, Academy of Dramatic Art, 30 Clareville Street, London FW7 5AW. Tel 071-370 4154.

Martin Hoyle



In acting no rules apply about prowess, physical or mental; size; appearance; intellect or academic qualifications



Not too much  
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mixed

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## ADVERTISING

## Only the brightest and best survive

"I don't know any trade which offers such variety. The atmosphere is extraordinarily stimulating. Agencies are psychological hothouses. You will never be bored."

— David Ogilvy in Ogilvy on Advertising.

DAVID OGILVY is a doyen of the advertising industry. He is the Ogilvy in Ogilvy & Mather. He spends his time at Touffou, his 12th century chateau outside Paris. Yet the corridors of his agency are still carpeted in red, the same colour as his braces — or suspenders, as they call them on Madison Avenue.

Ogilvy worked his way into advertising by the long route. He started out as a chef at the Hotel Majestic in Paris, and then sold Aga cookers before discovering the world of "psychological hothouses" with its copywriters, pitches and planners.

Some other ad executives also did it the hard way. Frank Lowe, the Lowe in Lowe Howard Spink, started out in the mailroom of J. Walter Thompson. Charles Satchel, of Satchel & Satchel, was jobless for a while after leaving his first agency.

Today there is an easier way into advertising: becoming a graduate trainee. The big advertising agencies, which depend on a constant turnover of bright young things to dream up ideas for their clients, are desperate to hire graduates.

Almost any academic discipline will do, although arts degrees tend to dominate. Languages often help, given that the large agencies now own networks of international offices to which bright young things can be dispatched.

But the agencies are only really interested in hiring the brightest and the best. J. Walter Thompson generally receives anything from 800 to 1,200 applications for 14 or 15 jobs. The agencies all tend to chase after the same "star" applicants — those who really stand out in interviews.

Last year one Oxford undergraduate was besieged by anxious ad execs who tore down to Oxford to regale him with the virtues of a career at their particular agency over increasingly lavish lunches. So if you are going to stand

advertising. You do not need to be able to tell the difference between Eurocom and Omnicom. Torturing the interviewer with your analysis of contemporary culture is definitely not a good idea.

But it does help if you know the names of the agency's big clients and that you can recognise its big campaigns. A summer job in an agency, or an involvement with advertising as an undergraduate also helps. Robin Wright, the W in WCRS, sold space on the university newspaper while at Cambridge.

If you are taken on then you will probably be shunted into account management, where you liaise with clients and map out strategies for campaigns, or into the media department, where you would buy space for the campaigns on television or in the press. The agencies tend to recruit people on the creative side — the art directors and copywriters who actually style and write the ads — from art schools.

The graduate trainees begin at the bottom. At JWT, for example, they start off as junior members of account or media teams on salaries of around £12,000. After nine months they become account or media executives on about £13,500. Within two years they will probably have been promoted to account manager or to senior media executive on £16,000 to £21,000 with a car. A year later they could become an account director or media associate director on anything from £20,000 to

### TOP 20 UK ADVERTISING AGENCIES IN 1988

1.	Satchel & Satchel
2.	J. Walter Thompson
3.	BBDO
4.	Young & Rubicam
5.	BMP DDB Needham
6.	D'Arcy Masius Benton & Bowles
7.	Ogilvy & Mather
8.	Lowe Howard Spink
9.	Coffey Dickenson Pearce
10.	S&B Price Lines
11.	Grey
12.	Worn
13.	Leo Burnett
14.	Publicis
15.	McCann-Erickson
16.	Albion Wood Victoria S&B
17.	KHBS
18.	Gold Greenlees Trot
19.	Allen Brady and Marsh
20.	Battle Bogle Hogarty

Source: Campaign

£20,000 — with a bigger car.

After that, the sky's the limit. Advertising is a truly meritocratic industry. Those with talent can go a long way. Six members of JWT's 40-strong main board joined the agency as graduate trainees.

The rewards for success are high. The legendary large expense accounts have shrunk in the recession, but the tables at Groucho's and the Ivy are still crammed with ad executives preening over plates of polenta. People really have been persuaded to leave their agencies — or to stay — by someone dropping the key to a Ferrari on their plate. One Satchel executive returned home to find a hole in his back garden. The agency had

treated him to a swimming pool. The stories of telephone-digit salaries are true.

It is also easy to move from agency to agency. Most graduate trainees learn the basics at big agencies, and get offers from smaller shops from their third year onwards. If you fancy your own business, it costs next to nothing to set up an agency, although the days of making serious money by floating on the stock market are over after the financial crises at Satchel and Yellowhammer.

The rewards may be high for the successful, but the ad industry is brutal with those who fail. Anything from a wobbly account to an unhappy client or an unsolicited takeover bid can cause dozens of job losses. Dave Trot of Gold Greenlees Trot was a victim: he arrived at a board meeting this summer to find that the agency he founded no longer required his services as a creative director.

Advertising is a young industry. The truly talented can expect a seat on the board in their 30s. Those with rosy-tinted visions of job security after the grand old age of 40, however, should choose a different career. So if you are thin-skinned, with no stomach for polenta, then you are probably not cut out for a career in advertising. But if you fancy the idea of a corridor carpeted in the same colour as your braces, then start swotting up on those client lists.

Alice Rawsthorn



هكذا صنع القوم



## AEROSPACE

### High-tech jobs need the highly qualified

THINK of aerospace and you think of high technology - Concorde, Airbus, rockets and satellites.

Such high technology derives from highly-qualified people, and aerospace companies depend heavily on graduates, who account for 20 per cent of the industry's workforce of 200,000.

Naturally there is a great demand for engineering graduates, but the aerospace industry also encompasses more traditional engineering and management skills and the sector has a seemingly insatiable demand for qualified young people from all disciplines.

The figures for graduates run into thousands each year, with more than 1,000 needed to replace those who move to other jobs, before taking account of the growth of the sector.

There is little sign of the demand for graduates abating in an industry noted for multi-million and billion-pound orders for aircraft, space and missile projects. The high rates of growth common to the aerospace industry for almost half a century look set to continue, but there are some clouds of uncertainty gathering round companies involved in military work as a result of the end of the Cold War.

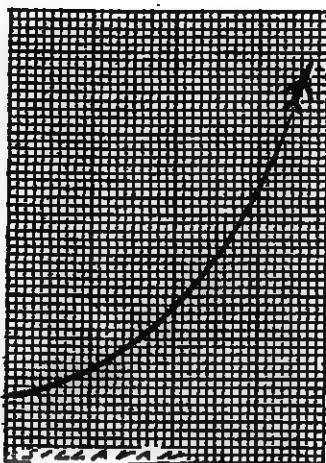
This has reduced demand for military aircraft, which have been a mainstay of activity in much of the aerospace industry since the Second World War.

Aerospace companies are trying to mitigate the effects of these changes, by seeking more civil aerospace work, and by attempts to diversify away from too heavy a dependence on military products. The tension in the Middle East, however, shows that as one military market declines, others may emerge.

Nevertheless, although the changes in Europe could eventually reduce the demand for staff at all levels in companies involved in the production of components and equipment for military aircraft, this does not appear to be the case at the moment.

Ms Rosemary Harper, the resourcing manager for British Aerospace, one of the largest aerospace companies in Europe, says that "so far there are no indications from the constituent companies in British Aerospace that they need fewer graduates as a result of the changes in defence".

The aerospace industry has to compete with other high technology industries for



graduates, especially in the south of England, where companies in the computer, software and electronics sectors are also hungry for the same graduates that aerospace needs - in pure science, engineering subjects and, especially, mathematics.

British Aerospace continues to require a rising number of graduates, with a total of 1,130 wanted last year compared with 950 in 1988, and 650 in 1986. The company has no figure for its likely requirements this year.

Last year British Aerospace gave presentations at 61 educational institutions and was looking for graduates from a wide range of disciplines, including arts, economics, psychology and law as well as engineering and science.

Students are initially recruited for particular business areas and receive on-the-job training

supplemented by management courses.

BAe also runs an Initial Management Programme which pushes people, usually in their mid-20s, into early management responsibility.

At a time when a career in engineering has poor status and is still relatively poorly paid compared with France, Germany, Japan and the US, there are signs of a rise in interest among graduates in a career in engineering.

According to British Aerospace,

Ms Harper says "graduates are aware of the opportunities available in industry and we have found that they are sophisticated in asking prospective employers questions about career prospects, conditions of work and salaries. They are very discriminating on the basis of the replies they receive."

The typical starting salary for a second class graduate without work experience would be £11,000 at British Aerospace. Applicants should bear in mind, however, that each site has autonomy to offer better starting salaries, depending on experience, the class and the discipline of the degree.

Not all companies in Britain's aerospace industry are as large or as wide-ranging as British Aerospace, or as internationally well-known as Rolls-Royce, the second biggest name in the UK aerospace sector, famous for its aero-engines.

Many of the 300 companies that are members of the Society of British Aerospace Companies are small and offer a more specialised, but potentially satisfying career. There are so many it would be invidious to single out one or two, but it must suffice to say that they work in such specialised and diverse areas as sensors, computer software, radars, undercarriages, instruments, electronics in all its forms, and parachutes. Further details: Air Commodore A.D.A. Honley, deputy director, or Mr Mike Chapman, the chairman of the education and training committee, The Society of British Aerospace Companies, 29 King Street, St James's, London SW1Y 6RD. Tel 071-475 2331.

Lynton McLain

## CIVIL AVIATION

### Travel perks don't pay the mortgage

ALL THE romance of the aviation business. Certainly, it sounds alluring. Jet-setting around the world - and being paid for it - understandably holds considerable attractions for many graduates, particularly those whose alternative is a career in the widget and sprocket business based in East Nowhere.

But those thinking of entering aviation just for the travel should be warned that, for most graduates, its attractions soon wear off. That, at least, is the view of Mr Peter Hilton, the recruitment and training manager at Air France in London. Travel perks - even if they do offer the possibility of a return flight to New York for £35 - do not pay the mortgage.

There are compensations, however. According to Liz Wallace, the graduate recruitment co-ordinator at British Airways, what makes working in aviation so attractive is not so much the travel - most trainees at BA do not even go abroad in the first six months at the company - but the challenge of working in a highly professional environment.

British Airways is the largest recruiter of graduates in the UK aviation sector. It is also the most popular. Last year the airline received more than 8,000 applications for only 220 places. The company offers a number of different graduate programmes, including information technology - the largest, with about 150 graduates - purchasing, investment analysis, finance, engineering and the business professionals scheme.

Ms Wallace says BA is looking for people, particularly from ethnic minorities, male or female, with any degree subject and from any nationality. Last year the company took on a graduate from Italy for its finance



Not all jobs are glamorous: some graduates go to Heathrow as check-in staff

programme. The airline also recruits cabin and check-in staff from all over the world.

BA likes to offer work experience during vacations and during sandwich courses. Ms Wallace explains that this allows the graduate and the company to look at each other.

The selection procedure is demanding and, for the first time this year, the company is introducing a pre-screening exercise to discourage frivolous applicants. Like virtually every other employer, BA says it is looking for self-motivated, enthusiastic people with leadership and team skills.

The successful candidate is likely to be able to accept responsibility quickly. A graduate working on procurement, for example, might be responsible for purchasing anything from toothpicks to a \$130m Boeing 747 aircraft. Within three years a graduate on the business professionals programme could be responsible for 300 staff at one of Heathrow's terminals. Starting salaries range between £11,500 and £12,300 a year depending upon the particular programme. There are six-monthly salary reviews and after a year, a graduate might be receiving about £13,500, often much more.

For some graduates there are opportunities to work abroad. Russell Cartwright, a 26-year-old audit manager who started at BA as a graduate trainee three years ago after a degree in accounting and financial control at Sheffield Polytechnic, has been abroad for the company three times in the past year. The destinations include New York, Hanover and Geneva. One contemporary has just been posted permanently to Paris.

Russell has also used the facility for cheap fares on BA flights: when interviewed he had just returned from a holiday in Barbados which cost him only 10 per cent of the normal fare.

However, there are drawbacks to working at BA. The company was privatised only in 1987, and although it is one of the most profitable carriers in the world, there are still remnants of a civil service and bureaucratic mentality in the airline.

This is not really an organisation for the individualist. Team skills are essential. "If you want to work at BA, you need to feel that a large organisation would not make you feel unimportant but would allow you to be recognised," says Karen Sweet,

the external liaison co-ordinator at BA. "Some people don't flourish in a large company."

Graduates on the business professionals programme, which involves marketing, sales and customer service, also need to be fairly self-confident. They are given plenty of responsibility and can be vulnerable to busy and impatient managers if they make a poor impression.

Nevertheless, BA has a good reputation as an employer. Its graduate retention rate - a good indicator of how well a company treats its employees - is remarkably high. About 75-80 per cent of graduates taken on are still with the company after four years.

There are other airlines recruiting in the UK and on the Continent. Lufthansa has been cutting back on recruitment because of the present poor market conditions. While Air France has a graduate management scheme in France, it has no record of having taken on non-French nationals.

However, Peter Hilton at Air France in London says it might be worth applying directly to the personnel department at Orly airport.

In the UK, Air France has not had a formal graduate

trainee scheme, although about 85 per cent of its clerical and industrial intake are graduates.

Most trainees have modern languages degrees and want to use their skills. Some have done casual or vacation work with the company before. The company will consider non-UK candidates and recently took on a couple of Dutch graduates. Competition for jobs, at the company, which are not advertised, is fierce. There are about 5,000 applications a year for about 100 positions; 75 per cent of applicants fail the entry examination.

Mr Hilton admits the jobs offered to graduates are not as stimulating as they might be. Some of the jobs are at the company's Bond Street British headquarters, while most are at Heathrow as check-in staff. Starting salaries are about £11,000 a year in London but are higher at Heathrow.

Air France is trying to work out a strategy for UK graduate employees. Some British employees are sent overseas, but so far this is rare, and seldom at managerial level. Further information: read Airline Business and Flight International

Paul Abraham  
ARTS ADMINISTRATION

### High in excitement but low on comforts

ANYONE contemplating a career in arts administration can have few illusions - they are sacrificing material comforts for a life of excitement, tension, frustration, uncertainty and, sometimes, great fulfillment.

It can be wonderful until you reach your early thirties and then the realisation that you have probably reached the top of your particular tree - running a touring theatre company; managing a community arts centre; supervising the publicity

Continued on next page

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Continued from previous page department, or front of house, in the RSC or English National Opera - and have nowhere else to go, except to a similar position in another part of the country, and all for a miserly £20,000 (or less) a year, starts to hit home. There are relatively few retirement parties in arts organisations. Many seem to drift out of the job around the age of 40.

For all the moaning by the vocal arts lobby this is a booming business - at least in terms of the number of arts organisations in existence. This is reflected in the attention being paid to training a new generation of arts managers. An Arts and Entertainment Training Council has been established, and more universities are offering courses. City University with its MA in Arts Management still leads the field, but a sign of the times is the interest shown by management schools, such as the London Business School and Cranfield, in MBAs related to the arts.

The Arts Council is playing an increasingly active role in training for careers in the arts. It offers each year up to 30 bursaries which slot enthusiastic young men and women into arts organisations for 12 or 18 months. The jobs are found after consultation with arts companies and are designed to reflect existing or future needs. You might be helping to plan the tour of a black dance troupe or an art exhibition or work in the financial department or press office of a national company.

The bursaries are not restricted to graduates and the Council is looking for people who have shown commitment to the arts. Running your college drama company, or working as an usher in the local theatre, or as a gofer in a fringe troupe, might be enough to suggest you are serious about the profession.

The attraction of an Arts Council bursary is that after completing the course you are virtually guaranteed a job. But the competition is stiff: there were more than 300 applicants this year for the three bursaries which enabled the trainees to work in the field of arts touring and marketing.

The Arts Council also has three training centres based at Liverpool University, and the Polytechnics at Leicester and Newcastle. In time these might develop into MBAs in arts administration but at the moment they offer a range of part-time courses ideally suited to people who have found work in the arts. That is perhaps the key to a career in this field. Get some kind of job, any kind



of job, and grow from there.

But do not expect much money. Last year Arts Management conducted research which highlighted the poverty - and the variations - for art administrators. Regional box office managers were earning as little as £6,310, or, comparatively, as much as £15,000; the range for marketing managers was between £7,800 and £25,000; while administrators on repertory groups could earn £11,500 - or £19,000.

This year Greater London Arts commissioned research into the salaries of arts managers in London, who usually earn more than their regional colleagues. It discovered that, compared with 14 roughly equivalent groups such as secondary teachers and welfare officers, male arts managers came out bottom, at an average salary of £12,480. Among the women surveyed, female arts managers (and at least they were equal in number to their male colleagues) were last but one, with an average of £12,010.

As well as the lower salaries, arts managers worked longer hours than their professional equivalents and had fewer fringe benefits. There were also large differentials between jobs, with a high proportion of arts managers earning less than £10,000. Not surprisingly staff turnover was high.

There is an initial rush of blood to the head when you get the job; you are soon involved with working flat out, and are encouraged to a position of responsibility. You then discover the frustrations of underfunding, bureaucracy, artistic temperament, and the boorishness of critics - and

group is earning twice your salary.

This malaise at the heart of the business has convinced the Arts Establishment that workers in the arts should develop skills that will enable them to move to more remunerative areas if their enthusiasm flags. So now you are encouraged to become an accountant, or a marketing specialist, or a press officer, or a legal expert.

And as the graduates who devoted 20 years to the arts move out, they are replaced by their friends at university who went into remunerative careers in business and want to switch at mid-life into a more rewarding experience, working in the arts (but often with accumulated money from their affair with mammon).

The Guardian on Monday is the place to look for jobs in the arts, or subscribe an annual £30 for Arts Management Appointments, which is published weekly by Rhinegold Publishing of 241, Shaftesbury Avenue, London WC2H 8EH.

Further information: Arts Council, 14 Great Peter Street, London. SE1P 3NQ.

Antony Thorncroft

## MUSEUMS

### Sprucing up that stuffy, old image

A CAREER in a museum guarantees a low salary and years of tedious apprenticeship, coupled with slow promotion prospects. The traditional opportunities for research, and the perfection of a scholarly mind, now take second place to the need to develop administrative and marketing skills to promote the museum's collections to the public.

To enter this world of impoverishment and changing - often conflicting - values, you usually require a very good first degree, and an even better further academic qualification. And yet the competition is intense.

The big national museums are undergoing a rapid transformation as the government uses its financial muscle to persuade them to be more accessible to the public, and to be financially independent. A group of energetic new museum directors, many of whom have come from independent museums or from outside the sector, have moved in, bent on shaking off the dusty, inward-looking, academic image.

Instead, they urge museum administrators to play a part in the burgeoning heritage industry. Independent operations are constantly being initiated by enthusiasts, displaying everything from shoes to sailing ships, and bringing the national stock of museums to more than 2,000. If the immediate prospects for a career in a museum look bleak, the future is rosy.

The well-publicised commotions first at the Victoria & Albert Museum and more recently at the Natural History Museum, are good examples of the revolution. In both cases long established, academically inclined curators, often the acknowledged experts in their field, have been cast aside by new museum directors intent on making their institutions accessible to a wider public, expecting more because it is paying an admission charge. The museum establishment is training its work force for the brave new world. A Museums Training Institute has been set up, funded mainly by the Office of Arts and Libraries, which by 1992 will be offering a certificate in competence to museum staff. This Institute is obviously the first step for anyone interested in a career in museums.

In addition many post-graduate courses which lead towards specialist careers in the industry are offered by institutions such as the Courtauld Institute, which has moved into splendid new premises in Somerset House in London. This offers perhaps the most prestigious training for art historians.

City University and the University of Essex offer management-orientated courses for those who see themselves as museum administrators rather than specialist curators. Leicester University has a respected year-long museum studies course for graduates (which can be undertaken on a part-time basis) and the universities at Manchester, St Andrews, and London are also active in the field. St Mary's College at Strawberry Hill and Ironbridge have programmes in Heritage Interpretation for graduates who are as keen about working for the Beaulieu Motor



It's not only a man's job in the Navy: two Wrens catch their breath during fire-fighting training before being posted to warships

Country Museum, for example, as for the British Museum and the V & A.

A career in museums is for the enthusiast only, as salaries are abysmally low. Many provincial museums, funded by hard-pressed, even rate-capped local authorities, offer starting salaries for graduates around £8,000; and London-based national museums are scarcely more generous. The independent museums tend to be shoestring operations, although if they are part of large leisure corporations, they pay reasonably well. If you make it to the very top - director of the British Museum - you are unlikely to earn more than £60,000, a pittance for managing a multi-million-pound business.

There are not many opportunities for switching to other professions, although experts from the V & A sometimes move over to Sotheby's and Christie's, or occasionally become dealers.

Anyone who thinks a museum will be a restful alternative to an academic career should think again. The scholar will always be needed and admired within a museum, and he or she will doubtless enjoy trips abroad to academic seminars and a life among beloved objects, but these days the scholar-curator will be expected to manage a department, organise exhibitions, raise money from sponsors, advise on design, communicate easily with the public and the media - as well as produce his contributions to knowledge.

The biggest display of advertisements for jobs in museums is to be found in the monthly Museums Journal available at good public libraries, or your local museum. Newspapers, in particular The Guardian on Monday, carry job advertisements.

Further information: Museums Training Institute, Kershaw House, 55, Well Street, Bradford, BD1 5PS; Museums Association, 34 Bloomsbury Way, London, WC1; Museums and Galleries Commission, 7 St James's Square, London SW1.

Antony Thorncroft

## ARMED SERVICES

### To kill or not to kill, that is the question

THE ARMED forces like to make things tough for would-be officers in their three-to-four-day interview processes. But in the last year the recruiters have had to field some hard questions, too.

The prospect of reduced manpower has added an element of uncertainty to a profession where one of the main baits for entrants has always been job security. In common with the priesthood, you were virtually guaranteed (if you wanted it and did not do anything reprehensible) a lifetime career.

Government's Options for Change review for the armed forces were announced in July. The proposed cuts, averaging 18 per cent throughout the three services by the middle of the decade, are smaller than many officers had feared.

Recruiters say, however, that their job will be eased only when the details become clearer and they can give less ambiguous answers to applicants' questions - for instance about the future of any particular Army regiment. The Army has already had its total annual recruitment target for the next year cut from 20,000 to 16,000. After big publicity campaigns, aimed especially at potential young officers, advertising budgets have been cut back.

On the other hand, they are still trying to attract university and polytechnic graduates in any field, and particularly engineers. In recent years they have all fallen short of their targets for direct graduate entry. The relaxation of East-West confrontation in Europe has tended to dampen interest in the services. There has not been a real surge in applications since just after the Falklands conflict. But recruitment officers now hope that the "Gulf factor" may supersede the "Gorbachev factor" and revive the allure of the forces.

Army, Navy and RAF recruits all insist they are not lowering standards to help meet their targets. They believe demanding standards and the promise of early responsibility are crucial to attracting the people they want - who may, of course, use the experience as a credential when they switch to a civilian career.

"We're finding that the majority of people change employers within the first few years, no matter what they're doing," says an Army recruitment officer. "Many of them know the services are not for them. We try to persuade them otherwise. We recommend short-service careers."

Joining the forces does not mean committing oneself for life. All offer full, medium and short-term careers in a variety of permutations. An Army short-service commission, for instance, is at least three years and can be converted into a regular commission. But the length of a commission is only the service's side of the bargain. It is usually possible to leave earlier. Rules for Premature Voluntary Release vary. In the Army, you apply and wait. But students sponsored through university are expected to serve five years. The Navy expects officers to stay at least 2½ years after completing training, as "fair return of service". It can take up to about a year to get out. The RAF is more rigid, with a quota system and for air crew a minimum of six years' service - but then it spends about £3m training a fast-jet pilot.

Together the services are looking for about 700 direct-entry graduates this year, with about 500 more coming through university bursary schemes.

Science-based disciplines are in demand, such as electronic engineers for the RAF.

Recruits attend the Army's Country Museum, for example, as for the British Museum and the V & A.

Successful Army candidates go to Sandhurst, where the condensed course of graduates lasts 26 weeks, starting in either September or January. Women do a different course in which they are mixed with non-graduates. A cadet joins as a probationary second lieutenant; his commission is confirmed on completing Sandhurst. From there he may go to a regiment or to a special course.

The RAF trains men and women officers together at Cranwell, Lincolnshire. The 18-week course is followed by specialised training. In the Navy, the course at Dartmouth lasts 26 weeks. The Royal Marines run their training separately, at Lympstone in Devon.

Pay on completion of initial training is normally between £13,000 and £14,000, rising to £17,000-plus after about four years, although some promotions are faster. Applicants must be willing to serve in any part of the world. Possible postings range from the Falklands to Belize, from Germany to Gibraltar, from Cyprus to Northern Ireland. Army, Royal Marines and RAF applicants will be asked about their willingness to serve in Northern Ireland, although in the RAF the probability of being posted there is much lower. In an Army infantry regiment it is almost automatic. But the Army says this is not a "minus" for recruiting.

Even in the Navy, you should be prepared to answer the question if, given the order, you would be ready to kill someone. You would probably not be asked that by a merchant bank.

Further information: University liaison officers, or write to: Directorate of Army Recruiting, Empress State Building, Little Road, London SW6 1TR; Directorate of Naval Recruiting, Officer Entry Section, Archway Block North, Old Admiralty Building, Spring Gardens, London SW1A 2BC; RAF Officer Careers, Government Buildings, London Road, Stanmore, Middlesex HA7 4PZ.

David White



## Women move right up to the front line

THERE was a time when women could expect a reasonably comfortable, secure and safe career in the armed services. This was because Ministry of Defence policy ensured that women, as non-combatants, were, wherever possible, posted to areas far removed from the action.

This is not to say that servicewomen did not come under fire. Even in the First World War, when public opinion was more opposed to the idea of women serving their country in the armed forces, there were casualties.

All that has changed. Women joining the three services now can expect to be posted to front-line stations where they will serve next to the men. There is no clearer evidence of this than the turnabout in policy for the Women's Royal Army Corps. This month 240 women army officers will discard their WRAC cap badges in favour of regimental badges. In future, officers completing their training at Sandhurst will be commissioned straight into regiments in the same way as men. Only the infantry and the Royal Armoured Corps will be out of reach on the basis that the Army does not yet envisage women charging up a beach with fixed bayonets to indulge in hand-to-hand combat or manoeuvring tanks around a battlefield.

But in all other respects women are trained to kill, if necessary, and undergo weapons instruction. Up to this year, all women were members of the WRAC, which had a complement of 4,800 servicewomen and 520 officers. Gradually the size of the WRAC, headed by a woman brigadier (the highest rank women have attained in the modern army), will decrease as women join other regiments and corps until, eventually, it will remain merely as a focus for women. This will mean there will be an opportunity for women to rise to the rank of

major-general and even lieutenant-general, normally requiring field service.

This year the general target for the number of women officer recruits is 100. The Army takes any graduates and offers a variety of careers in an assortment of regiments and corps. For instance, this year the Royal Artillery requires three women officers.

This year, too, the Royal Air Force announced that, for the first time since it was formed in April 1918, women are eligible to fly as pilots and navigators. Flight Lieutenant Julie Ann Gibson, who in 1984 graduated from the City University with a BSc (Hons) in aeronautical engineering, and Flight Lieutenant Sally Barbara Cox, who gained a BSc (Hons) in combined sciences at Nene College, Northampton, became the first women to train as pilots in the modern air force. (There were women pilots during the Second World War but they were employed to fly aircraft from factories to airfields.)

However, if you have ideas of piloting Tornados, Jaguars or Phantoms, you are out of luck. Women will not be permitted to fly strike aircraft, and will be confined to aircraft engaged in carrying passengers and freight, air-to-air refuelling, airborne early warning and search and rescue.

The RAF was the first service to integrate women fully into its ranks. The service accepts about 250 pilot and navigator trainees every year and expects to fill 10 per cent of these places with women. The overall target for women officers during 1989-91 is 144. This year 125 officer trainees were graduates.

The most controversial announcement affecting servicewomen this year was the decision of the Royal Navy to post members of the Women's Royal Naval Service to seagoing ships. Wives of men serving aboard Her Majesty's ships were alarmed about the consequences of women being confined for months on end with their husbands in the cramped quarters aboard warships.

There has been no chance, yet, to observe results of this revolutionary move by the Navy. However, when HMS Brilliant, a Type 22 Frigate, sails for the Gulf next month, she will be the first British warship at sea to have on board members of the WRNS.

There are 3,200 members of the WRNS, of whom 275 are officers. This year 41 women officers were trained at Dartmouth, of whom 22 were graduates. Next year the WRNS expects to recruit about the same number. There is one difference in the terms of service for men and women in the Navy: women receive short career commissions (as the Navy terms it) which means they serve for eight years, after which they can sign on for another eight years.

One of the most controversial aspects of life in the armed services is about to be scrapped. Up to now pregnant women were compelled to resign, and very few were able to resume their careers after having babies because they had to satisfy the Army, Air Force or Navy that they had made adequate arrangements for the care of their children.

Unofficially, this rigid rule is expected to be lifted next year when all three services will welcome mothers back. In fact, the Army in its advertising insists that a career as a wife and mother is not excluded. Usually, married officers are posted together.

There are opportunities for women in the following Army corps: Corps of Royal Engineers, Royal Corps of Signals, Intelligence Corps, Royal Corps of Transport, Royal Army Ordnance Corps, Corps of Royal Electrical and Mechanical Engineers, Corps of Royal Military Police, Royal Army Pay Corps, Royal Army Educational Corps, Army Catering Corps, Royal Army Medical Corps, Royal Army Veterinary Corps, Royal Army Dental Corps, Army Legal Corps and Queen Alexandra's Royal Army Nursing Corps.

Roy Terry

## Move over, sailors: here come the Wrens

THEY USED to say in the Navy that the women's movement notwithstanding, there was one career that would always remain a man's job - serving aboard Her Majesty's ships at sea. On June 19 this year, Second Officer Cate Pope became one of the first women in the history of the Royal Navy to break this tradition when she walked up the gangway of a British man-of-war and received the

as a regular seagoing officer. Her ship is HMS Fearless, a Royal Navy assault vessel.

The Navy always has been a law unto itself, needing separate legislation for every step on the way to giving women equal opportunities. Even now it is a step behind the two other services, in that women have different rank titles. But by posting women to warships, the Navy has gone further than the Army and Air Force by ensuring that, in future, Wrens could be part of the action in marine warfare.

This prospect does not in any way deter 29-year-old Cate who, when she joined the Navy in 1985, was looking for "something a little more challenging, a little more interesting and much more exciting than a run-of-the-mill job in industry". She read marine and freshwater biology at Westfield College and did her masters at Chelsea College in applied hydrobiology.

"While I was at London University I had no plans at all, certainly no ambition to join the WRNS. I chose biology because I enjoyed it. The idea of going on to do my PhD did appeal for a while, but a job in industry didn't."

Cate spent a summer with Thames Water Authority, as a water haffit, and during her spare time continued her hobby as a scuba diver. During this period of indecision about her future she walked past a Royal Navy careers office in Holborn, and "popped in to see what sort of jobs were on offer. The range was quite staggering and I was hooked. I had literally walked in to pick up some pamphlets but found myself filling in an application form there and then."

There is no service tradition in the Pope family. Her father is a well-known artist who has had his paintings hung by the Royal Academy at its summer exhibition.

Cate attended the Admiralty Interview Board at HMS Sultan, Gosport, for 2½ days. This course is designed to test the leadership potential of aspiring officers. "What they are looking for is application, drive and determination. At the end they tell you whether you have reached the required standard. However, the final selection is up to the MoD. After that, I went through the basic training of the WRNS and then on to Britannia Royal Naval College at Dartmouth."

Cate joined the WRNS in the general administration branch, but after two years decided to specialise in meteorology and oceanography and took a Royal Navy course to qualify in this area of operations.

"I went diving in Cyprus, then worked with submariners, and went to the Arctic Circle with the Marines. There was never a dull moment."

Cate admitted that when she was posted to HMS Fearless it was with a slight feeling of apprehension about what was in store for her. Royal Navy ships were designed for men only - with no concessions for women coming aboard.

"And that's the way it ought to be," says Cate. "There is no problem really, we need is a lock on the door and it becomes instantly personalised. It is much easier for the officers, obviously, because we have cabins. But even when WRNS ratings come aboard they will be able to cope without any difficulty."

Aboard Fearless, Cate is meteorology officer and ship's instruction officer. "As meteorology officer my job will be weather forecasting, a task which is critical when we have helicopters and marines aboard. I will also be responsible for the education of the ship's company - GCSE maths and English, that sort of subject, can be taught on board. And I am what is termed resettlement officer, which means advising people about careers, finance, housing when they leave the Navy."

"I am also custodian of classified books and cryptographic material used on board."

HMS Fearless, which was part of the naval force during the Falklands campaign, is virtually a streamlined floating dock with a flight-deck large enough to operate several helicopters and the facility to float out landing-craft through the open stern. Her armament includes Seacat missiles, Phalanx, a rapid-fire anti-missile system, and 20mm guns. The ship's complement varies with her role, but an average of 35 officers and 600 servicepeople normally live aboard.

Cate will not be the only woman aboard, because women ratings will also join Fearless, which is one of only two ships at sea complemented with WRNS.

What are Cate's ambitions? "In the short term, I should like very much to become the ship's diver. That will mean attending another course. Ultimately? Well, my father is hoping I will reach admiral, because then he can become as famous as Augustus John."

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# B

BANKING  
BREWING  
BROADCASTING

## BANKING

### It's the person who counts

**BANKING.** The word conjures up images ranging from the sublime to the ridiculous. Is it the height of boredom or the citadel of the wheeler-dealer putting together a mega-deal?

Anyone thinking of a career in banking should forget about the local branch down the street. It is the last place a graduate is likely to end up. Instead, they are more likely to find themselves managing a part of the bank's operations, liaising with corporate clients or even based abroad within the bank's overseas operations.

The big high street banks are looking for articulate, numerate graduates to run sophisticated operations or deal with multinational customers. They want clear thinkers, with leadership qualities, and good person-to-person skills. However, they are not necessarily looking for graduates of economic disciplines. "We are more interested in the person than the academic baggage they are carrying," says Mr Kevin Wall of Barclays Bank.

Personality counts for as much as academic training, although most banks will be looking for graduates with an upper second class degree or better.

The graduate's first stop should be the Bankers' Almanac, a complete list of the world's banks, their addresses and banking associations. This two-part tome - available in any library - might at first appear a little intimidating, but will be invaluable to those preparing to fire off a round of letters requesting brochures (which include an application form) on graduate recruitment schemes. This should be the next step and do not put it off. Brochures were published in September and banks are already swamped with requests. Most big banks have extensive training schemes, aimed at introducing the graduate to a variety of banking operations: anything from portfolio management to personnel and marketing.

Barclays, for example, the biggest UK retail bank and traditionally the most international - has a four-year programme which takes graduates right through the group's operations, both in the UK and abroad.

About 80 people are chosen each year from 3,000 applicants. The interview round is gruelling. Be prepared for initial one-to-one interviews, then a panel stage including a "psychometric" test to determine verbal and mathematical skills, role-playing exercises, and three more interviews before the final offers are made. This is the process for Barclays' Management Development Programme (MDP), which seeks candidates with senior executive potential. "Within 10-15 years, we expect these people to be holding top jobs in the Barclays group," says Mr Wall, manager of the MDP.

Most of the big UK clearing - or retail - banks have structured programmes similar to that of Barclays - including fast-track programmes for high achievers.

Once in, the rewards are good. Perks include subsidised mortgages, beneficial loans, and in some cases, company cars.

Top clearing bankers earn more than £100,000. But the trainee can expect to start on anything from £12,000 to £18,000, depending on the bank. Merchant banks tend to pay more than the clearers, and salaries will go up at least in line with inflation. What you earn within five years depends on the job you eventually assume. Retail banking, for example, is not as well paid as the corporate finance side.

The drawback of working for the big high-street banks is that they are not changing quickly enough to suit many people. For this reason, UK banks are facing increasing competition from European, Japanese and US institutions: competition for graduates, as well as for business.

Citicorp of the US and Crédit Lyonnais of France, for example, run quite different training schemes for UK graduates. Citicorp, a vast institution with about 4,500 people in the UK, has a federal approach to training.

Applicants are interviewed and hired by various businesses - anything from consumer services to computer systems, foreign exchange dealers to people managers. The initial training lasts about eight weeks. "We get graduates into a job and into the department," says Derek



ROGER BENE

graduates at the head of operations within 10 years, says Mr Froud. Crédit Lyonnais, on the other hand, takes on four to five graduates a year in the UK. The training programme, which lasts about 18-19 months, takes graduates through the various commercial areas - corporate banking, trade and commodity finance, general banking and dealing. Although the intake is likely to increase, Crédit Lyonnais does not attend job fairs nor go on the ubiquitous milk round.

The bank finds its graduates through direct applications; and, says Sandie Tucker, personnel manager, a sense of humour on the application goes a long way. Unlike most of the UK banks, however, Crédit Lyonnais is mainly looking for graduates of business or numerate disciplines, and a foreign language is a must.

Salaries for foreign banks are comparable to the UK clearers. Their career paths are obviously international, and you would expect to spend much time abroad.

Although banking remains a male-dominated world, the prospects for women are improving. Lloyds Bank, for example, hired more female than male graduates this year.

The first year on any training scheme is tough - not all trainees will make it. Barclays has a drop-out rate of about five or six of the 80 MDP candidates.

Once through the first year, however, graduate trainees are almost always destined for early responsibility and senior positions. It really depends on the candidate. "If they are as hungry as we believe them to be, then they tend to get promotion even earlier than they expect themselves," says Mr Froud of Citibank.

Further information: contact the banks direct, or the Banking Information Service, 10 Lombard Street, London EC3V 9AB.

**Peggy Hollinger**  
CORPORATE FINANCE

### Scene of all the action and glamour

THROUGHOUT the 1980s, there was no more glamorous job in the City of London than that of corporate financier. Market-making had its appeal to some, and others would enjoy being stockbrokers or fund managers. But all the action was within the corporate finance department.

Corporate financiers were paid more than anyone else; they worked harder; they wielded more power; they were much more intelligent. A certain mythology built up around the corporate financiers - according to popular legend they drove faster company cars than anyone else and were better looking too.

The mythologising process was attributable to abnormally high levels of takeover activity before and after the 1987 stock-market crash. As predators went on the warpath and whole industries restructured themselves, the corporate finance adviser was there, sporting red braces and tasseled loafers, at the eye of every storm.

Apart from cutting a dashing figure, the corporate financier is responsible for coming up

restructuring plans where companies shed their least profitable subsidiaries. They may also devise ways of financing these expensive activities, sometimes designing new categories of securities. They have a project co-ordination role in any big deal, bringing together accountants, lawyers, stockbrokers and other professionals.

They make sure that takeovers, for example, are conducted within the letter of the law; they write the more sensitive parts of offer documents and listings documents; they advise on how transactions should best be structured for the benefit of the company, shareholders, and themselves.

Although a corporate finance team itself draws from a range of disciplines, every member must be technically adept and commercially aware. It also helps to be personable and self-assured, as you frequently have to talk with authority to senior business executives on subjects about which you may know little or nothing.

Salaries are indeed high, boosted by huge bonuses when times are good. Despite the very long hours - 50-hour days are not unusual - it is not surprising that the job attracts the intelligent and ambitious.

Business is a lot quieter now than it has been for many years, but corporate finance retains its glamour, not just for the undergraduate who might have heard about the fabulous salaries, but also for the hundreds of newly-qualified accountants, solicitors and barristers who apply every year for what is now a diminishing number of jobs.

It is still just about possible to go straight into corporate finance direct from university, although the extent to which the recruitment process is formalised varies from bank to bank. Many banks recruit on a purely ad hoc basis, giving jobs to whoever writes in at the right moment; a handful of others operate proper training schemes.

Schroders, for example, a leading merchant bank, recruits about five undergraduates who are given formal financial training and a spot of work experience in other departments for six months, before taking their places as fully-fledged, albeit junior members of a corporate finance team. Morgan Grenfell, another well-known corporate finance house, takes two graduates a year into this area.

Another way into corporate finance is via one of the generalised training schemes operated by US investment banks - such as Morgan Stanley or Goldman Sachs - and by UK securities houses such as S G Warburg. Typically, the recruit on one of these schemes will first receive general financial training, followed by a spell of up to two years working on other areas of the business, before being given the opportunity to move into corporate finance.

Morgan Stanley, for example, operates a two-year "analysts' programme": after three weeks' training in New York, the graduate is posted off to one of the bank's departments (which may be corporate finance). The work will involve researching and processing data to support the activities of the mergers and acquisitions department. After two years, you go to business school, after which you may be able to come back as a fully-fledged M&A executive.

Warburg takes the view that graduates have little to offer the corporate finance department immediately after university. They join the

they are expected to move around the firm's various divisions - fund management, stockbroking and so forth - but only afterwards are they eligible to transfer to the corporate finance department.

Some tips: addresses of merchant banks and investment houses can be found in Crawford's Directory of City Connections, available in a good library. Try to get a holiday job in the City before applying. And if you do not get a job straight away, become a lawyer or an accountant and in three years you might have a better chance.

This advice does not apply if you happen to be exotic: the banks are all looking for multicultural recruits, people who are bi- or trilingual, foreign nationals educated in the UK or the US. This policy adds to the image of cosmopolitan glamour, but also reflects sound commercial self-interest: the financial services industry is international in flavour, for one; and growth in the 1990s promises to come from abroad, where it will help to speak the language and be familiar with local business culture.

David Waller

### Masters fall from grace

FOR MANY BANKERS, the Eurobond market was the glamour business of the 80s. Like bond trader Sherman McCoy, the doomed hero of Tom Wolfe's best-selling novel *Bonfire of the Vanities*, many Eurobond dealers considered themselves Masters of the Universe.

But many Masters fell from grace as cut-throat competition in a contracting market squeezed profit margins. Jobs were axed, bonuses cut, and many banks pulled out of the market altogether.

Graduates embarking on a career in finance these days may head for safer, if less lucrative, domains such as fund management.

The Eurobond market, a \$1,000bn market in publicly-traded debt issued by companies and governments, was the epitome of the charmless glamour which typified the City in the mid-80s. Ample profits could be earned by structuring

transactions (corporate finance), flogging them to tax-shy investors (sales), and playing the market (trading). Traders addressed each other in insider lingo, and the higher echelons of managers impressed these juniors with sordid tales set in night clubs such as Annabels.

Hit by recession, the business appears to be casting off its tarnished image and adopting a more rigorously professional approach. The growing sophistication of financial products, and of investors, places greater demands on traders and salesmen, and the level of graduate intake has increased.

Potential recruiters range from investment banks to commercial banks to brokers, but the differences in culture are often as much a function of national identities, which include American, British, Japanese and Swiss.

Many firms have general graduate recruitment programmes, and do not assign specific jobs until training is completed. However, a distinction is often made between corporate finance, where post-graduate qualifications may be expected, and sales and trading, where graduate recruits, once a rare breed, now predominate.

Generally, graduate trainee programmes at US firms tend to be the most structured, with several months spent in the classroom, working on case studies and presentations. Japanese and UK banks tend to be less formal in their training, sometimes moving graduates round a variety of departments.

The training course at JP Morgan Securities, the US-based investment bank, lasts five months and is based on a US MBA model. Training, in London and New York, includes lectures, tutorials, work groups and even outward-bound-type courses to build Morgan team-playing spirit. Since 87 per cent of graduates recruit to sales and trading since 1989, are still at the firm, some team spirit appears to be engendered.

JP Morgan has no preference for a particular discipline, as the course is expected to bring trainees to the same level of knowledge. The firm expects to recruit about 20 graduates this year, split between corporate finance, and trading and sales, on a milk-round in Oxford, Cambridge, Bristol, Durham, Dublin, Edinburgh, London and Manchester, supplemented by advertising in the general graduate recruitment literature.

UBS Phillips & Drew, the UK arm of the Union Bank of Switzerland, expects to recruit about 15 graduates this year, after a milk round encompassing the universities of Oxford, Cambridge, Bristol, Exeter, Manchester, the London School of Economics and St Andrews. At UBS, trainees are recruited to a specific department at the outset, and are trained in the skills of that department for five weeks, before any general training is given.

IBJ International, the London arm of the Industrial Bank of Japan, focuses on the Eurobond market, so most graduates end up in that area. The bank does not do the milk round, but advertises in the financial press, where it can also attract graduates with some working experience. There is a five-month training period, when trainees work in various departments.

In the areas of sales and trading, there is still an emphasis on personality. "We're looking for people we could drop on to a beach in St Tropez to sell doughnuts," says the head of sales at one British investment bank.

While some graduates are hired fresh from college, it is also common for them to come from short stints elsewhere.

"I got into Eurobond sales by chance, because I was desperate to get out of my graduate training course at a clearing bank, and I wanted a chance to use my languages," says one Eurobond saleswoman, a recent modern languages graduate.

Although the usual sales jargon persists - "People who sell themselves well will sell our products well" - there is a recognition that salesmen need to be able to present increasingly complex ideas.

In spite of the recession, remuneration can still be high. Starting salaries are in the region of £15,000, generally higher at the US banks. This can rise quickly. Some traders in their mid-30s earn more than £100,000, including bonuses.

The downside is poor job security. Many graduates had redundant in the wake of the 1987 crash found themselves unable to find new jobs in a contracting industry, and ill-qualified for jobs outside it.

A drawback at most Japanese banks is that Westerners are rarely promoted above a middle-management level. The compensation is that those jobs are considerably more secure.

Tracy Corrigan



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British



## BUILDING SOCIETIES

## The battle with the banks is on

IF YOU think building societies are boring or staid institutions, offering unexciting prospects, think again.

Ten years ago building societies were as their Victorian founders had intended them to be: two-product businesses, handling mortgages and savings deposits, under heavily protected conditions.

Now the protection has gone. Building societies are battling with the banks for a wide range of personal customer banking business in the High Street, though with a strong emphasis on mortgage finance – a particularly competitive line of business.

Anyone going into the industry will have to adapt to a rapidly changing and highly competitive marketplace in which the rewards for success are steadily growing. Building society salaries are rising, and fringe benefits, range from subsidised mortgages and strong pension schemes to company cars, medical insurance, and relatively long holidays of up to 30 days a year.

Size is important in the building society world. Roughly speaking, the industry breaks down into a few societies – Halifax, Nationwide Anglia, Woolwich, and Alliance & Leicester which are national institutions about the same size as the smaller banks. (Halifax is almost in a class by itself: the largest building society in the world and with total assets ranking alongside those of the Big Four banks such as Midland and Lloyds.)

Then there are societies with a national customer base, such as Leeds or National & Provincial, although they are smaller than most banks.

Skipton is probably the smallest of this group of societies. Below Skipton the size of societies diminishes rapidly, going down to one-branch small-town societies with only a few million pounds of assets. A career in a large, nationally-known society such as Halifax or Woolwich will be very different from one with a small local or regional base, although a graduate's chances of becoming a top executive will obviously be greater in a small society.

Halifax, the giant of the building society world, takes 40 graduates a year in a recruitment programme from polytechnics and universities. It admits to having slightly more success in the northern universities. No particular subjects are required: one recent recruit, for example, read zoology.

After selection, a two-year intensive training and development programme follows, then an appointment in a branch or head office.

"The world is their oyster then, there are lots of career opportunities, ranging from the chance to become a generalist and move from one area to another or to specialise," says Mr Richard Sherrard, group recruitment and equal opportunities manager at Halifax.

Almost all societies expect graduates to study in their own time for the Chartered Building Society Institute's basic diploma. There are eight subjects to pass, five compulsory and three optional. "People with degrees and the habit of studying don't find it too difficult," says Mr Sherrard. "But it can be more difficult when doing a fairly extensive training and development programme alongside your work and some people take longer than others."

Graduates can expect to be given responsibility – usually the running of a small branch – very quickly. Although high-fliers do occasionally move from one society to another, loyalty is strongly encouraged by the large societies. "We are recruiting graduates for long-term careers. We want them to identify with us," says Mr Sherrard.

At the other end of the scale, things are not so different, but

life in the smaller societies has a more personal flavour.

Robert Stobbard is in the second year of a two-year training programme with Scarborough, a fairly small society by asset size, though it has 30 branches. Robert studied geography and chemistry at Keele and joined Scarborough a year after he left university.

Now he is working for the CBSI diploma to be followed by a diploma in management from the Open University. He chose the CBSI qualification because he has specialised in mortgage-related work in head office.

"When I joined the society, my aim was to be a branch manager, but branches are less important now than they were then and positions are emerging that were not dreamed of then, for example in processing centres and regional managers," Richard says. He hopes to become a



regional manager by the time he is 40.

Anyone intending to make their career in a small building society has to be particularly mindful of the changes going on in the industry. Mergers and takeovers of small societies by larger ones are happening regularly and the number of societies is dwindling.

There were 276 building societies in 1980. Ten years earlier there had been 481. By the end of this year there will be fewer than 100.

These mergers do not affect the basic character of societies, because the merged institutions remain building societies.

Scarborough ranks 46th in the industry by asset size and Robert Stobbard says he and his colleagues are aware of the possibility of a takeover.

Being good with figures is quite important for anyone wanting a career with a society, but most executives rate the ability to work with the general public especially important.

"There is a range of 10 skills which we assess graduates against, but we are a 'people organisation' and the things we are looking for are mainly people-related as much as paper-related," says Richard Sherrard at Halifax.

The building society world, like the clearing banks, may offer special opportunities to women, even though the upper ranks of the business are still heavily male-dominated. More and more retail financial services organisations are looking to women recruits with an eye to promoting them to the upper echelons. At Halifax the split between men and women graduate recruits is now even. "The number of women in top management is fairly limited, but we see this as something we are trying to put right. Women who are selected will undoubtedly go through the organisation quicker than the norm," says Mr Sherrard.

He says graduates can expect Halifax to offer security in a changing market. "Maybe there will not be separate categories of banks and building societies in the future but just financial service organisations. Either way, the Halifax can offer them a long-term future," says Mr Sherrard.

Further information: Building Societies Association, 3 Savile Row, London W1X 1AF; Chartered Building Societies Institute, 19 Baldock Street, Ware, Herts SG12 9DH. Reading: The Building Society Industry by Mark Boland (Allen & Unwin) is the standard work on the industry. In Transition by Leigh Drake (Macmillan); The Major Players, available from Dr John Wrigglesworth, UBS Phillips & Drew, 100 Liverpool Street, London EC2M 3RH, is an annual review of financial performance by the top 15 societies.

David Barchard

## PROFILE:

## Abbey National

## An enviable success story

THERE was gloom in most of the banking market last July as the "Big Four" clearing banks announced dismal half-year results reflecting the problems of the UK economy.

The one shining exception to the bad news from the banking world was Abbey National, a former building society which turned into a bank after a stock market flotation in July 1989. It was able to tell its shareholders a different story.

Despite the problems of the mortgage market, its profits soared by 38 per cent – the sort of growth which makes a splash even in a good year.

From Bangor, Northern Ireland, Mr Glenn Lindsey views Abbey National's progress with considerable satisfaction. He joined the company a year ago after reading biology at the University of Manchester's Institute of Science and Technology.

"I liked Abbey National because it offered me a definite career structure and had a clearly defined training scheme for graduates," he says.

"You have to have a certain grasp for figures," says Mr Lindsey. "You could not do the job otherwise, but the main requirement for working with Abbey National is the ability to get on with people and manage them."

Abbey National's asset size makes it larger than many banks such as TSB and Royal Bank of Scotland, but some distance behind Lloyds and Midland. It has a smaller branch network than they do, and is more specialised.

The bank – which it has technically become since a change in its charter last year – specialises in mortgage lending. It now has about 15 per cent of the UK market.



Outward bound training: banking was never like this

Because it does not engage in corporate lending, unlike the big clearing banks, its profits have not been hit by the recent round of large company failures in the UK.

"We take about 100 graduates each year from any university or poly in the UK. It will probably be slightly more next year," says Ms Judy Fairweather, a manager in Abbey National's graduate recruitment and development team. "We see the graduate recruitment stream not as a kind of elitist group but as people who have the potential to reach the most senior levels in the organisation. They need to be free of mental baggage from elsewhere."

About half the graduate recruits are women. In 1988, there were actually more women going into the Abbey National's management scheme than men.

For Glenn Lindsey, imbibing

Abbey National's corporate culture meant a "Welcome to Abbey National" course at Shrewsbury, where participants had a chance to meet and talk to top management, followed by some challenge training (similar to Outward Bound training, with senior and junior staff mixed together) and then work in a branch on a training schedule.

As at banks and building societies, recruits study for financial services and banking qualifications in their own time. Since Abbey National has shed building society status, its staff are discouraged from taking the old Chartered Building Societies Institute qualifications. Instead, Mr Lindsey has enrolled for the Henley Management Diploma.

One factor in deciding on this option was that he expects to be on the move and this course gives him geographical

flexibility. He has estimated he needs to spend eight to 10 hours a week, after hours, working for the diploma.

This autumn Mr Lindsey will move to become branch manager at Glenn Gormley with a staff of six working under him. Are the rewards commensurate with the responsibility and the work he is already doing? "I am quite happy with the financial rewards, although this job was not among the top payers, but it is quite a reasonable salary," he says. "With benefits it is quite a sound package. What it lacks in cash, it makes up in medical insurance and other perks."

In the past, staff salaries at Abbey National, like those of the building society industry it formerly belonged to, lagged behind those of other large corporations. This is less true as the financial services industry becomes competitive.

Ms Fairweather says graduates can expect a basic £10,000 salary plus a £2,500 London allowance. "The majority of training opportunities are in London," she says.

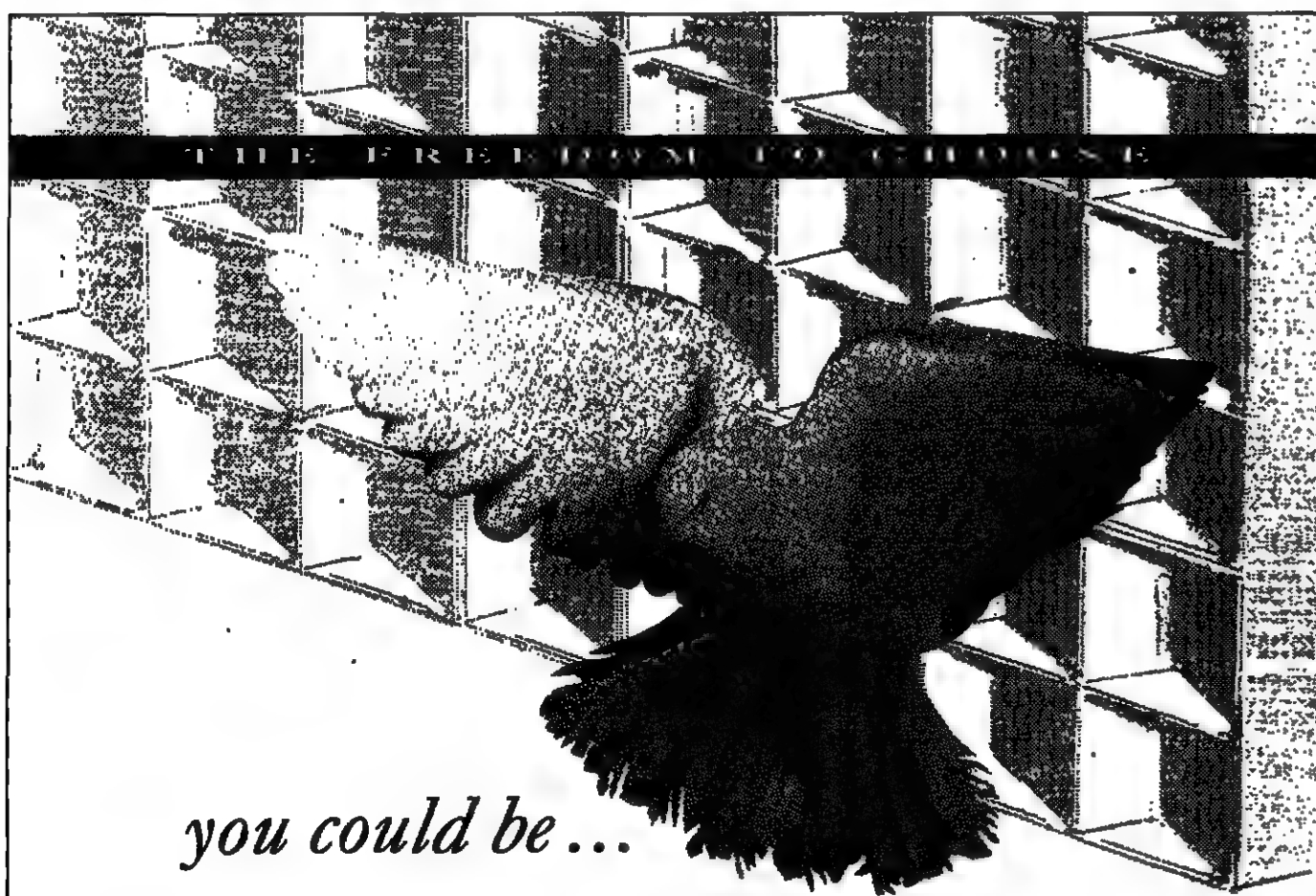
Mr Lindsey envisages a career structure which will take him on to be an area manager and then perhaps a regional manager in his 30s and 40s. "I would like to stay with the customer rather than just be in the head office making decisions," he says.

For those who want to take this second route, there is increasing scope. Retail financial services is a high-tech business, needing planners, strategists, marketers and administrators as well as front-line staff who deal direct with customers.

There are also more specialised financial positions, for example work in the bank's treasury, dealing with its funding and activities in the money markets. This side of things has expanded considerably since the flotation.

Abbey National says it is extremely pleased at this and other changes which followed from shedding building society status. "As a building society, we had to restrict our business activity. We have much more freedom to change now," says Ms Fairweather.

David Barchard



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## BREWING

## It's not enough just to like stout

BRITAIN's brewing industry is being reshaped. As a result of the Monopolies and Mergers Commission report last year, the national brewers are being forced to reduce their pub estates and open them to competitive drinks suppliers.

Grand Metropolitan has signalled its intention to quit brewing but will remain a force in the international drinks and food business, and in retailing. Allied-Lyons has yet to decide whether to follow a similar path.

Such changes, however, are unlikely to have much effect on the varied choice of careers offered by the industry. There will be opportunities to suit virtually every taste in the brewer's increasingly diverse operations.

Bass, the UK's leading brewer, is also the world's biggest hotelier. Guinness, one of the few truly international brewers, is also the leading distiller of Scotch whisky.

Whitbread has extensive retailing interests at home and abroad; Scottish & Newcastle runs holiday and leisure operations as well as breweries and pubs.

All the leading brewers operate structured training schemes, recruiting graduates for jobs in production and distribution, personnel, research and development, sales and marketing, retailing and hotels, catering, estate management and property, and information and financial systems.

Most of the big brewers and distillers, seeking to develop a flexible and broad range of management skills, encourage graduates along career paths that take them through several of these functional divisions.

Their multinational operations provide openings for the internationally mobile. Their spread of activities at home offers rewarding posts in the provinces. Corporate cultures within the industry generally seem to foster a sociability that tempers its highly competitive nature.

But competition for entry continues to be stiff. In spite of reports that the graduate job market is easing, the brewers found just as many applicants as usual queuing at their doors this year. Guinness had some 1,000



The brewing industry: could refresh those graduates that other careers can't reach

and usually a quarter of its recruits, come from Ireland. This year it also took in one from Hong Kong, one from Australia, and one from the US. International recruitment will grow – plans are already laid for attracting Japanese graduates.

Melanie Hughes, group graduate development co-ordinator, says: "We are approaching the recruitment of overseas graduates cautiously, but if it works, we shall move towards a 50-50 balance with the UK and Ireland."

Guinness, which started its graduate recruits this year on a salary of £12,800, now concentrates its search on 18 universities – down from 26 last year – and did little advertising outside those centres.

They included Oxbridge but omitted Bristol and Exeter in favour of such "extremely good environments" as Brunel and Aston which, says Hughes, produce mature engineering and production recruits, often with language skills.

Personal skills are more important than degree subject. "We are looking for people with analytical skills – to be found among those taking classics as well as business studies," says Hughes. "We want recruits who communicate well but can

comfortably within a team as well as lead it."

Graduates are usually attached to one department for the initial 12 months of an 18-month intensive training programme, but may be moved after six months if it seems their talents may be better employed elsewhere.

Ms Hughes finds applicants now are more aware of what their prospective career entails. "Either they are getting better careers guidance or they are doing their homework more thoroughly," she says. So it is no use basing your application merely on a liking for stout.

Whitbread, with retail operations such as Fiza Hut and Thresher's off-licences as well as breweries and pubs, recruits some 40 graduates a year. It covers 11 universities and nine polytechnics on the milk round, and advertises at several others. Applications this year totalled more than 1,000.

Some of the jobs it offers require specialist degrees – in engineering, chemistry, biochemistry, food sciences, and even estate management.

However, Peter Lester, head of the graduate recruitment unit, says that information technology recruits are as likely to be found among music and psychology students as

selected from a wide range of disciplines.

Most trainees start on a basic £11,500. Slightly higher rates are paid to engineers and technologists, and some get a company car.

Promotion and responsibility can come quickly. Some area management trainees, says Lester, have been running batches of 50 tenanted pubs within six months.

Whitbread, too, is encouraging greater flexibility in training, with more movement across the company's divisions. One recent finance recruit moved into marketing analysis within a year.

The MMC shake-up may also open more opportunities for graduates in the smaller, regional brewers. Although they have tended to advertise only for trained staff in the past, several are now expanding their activities.

For women, prospects seem to be steadily improving in what is still a male-dominated industry. GrandMet announced this year that its recruitment programmes in both the UK and the US would be targeting women and minority groups. Further information: The Brewers' Society, 43 Portman Square, London W1H 0BB; The Scotch Whisky Association, 17 Half Moon

مركز الصناعات



BROADCASTING

# You might get lucky with smart talking

OLIVER PHILLIPS only became a television journalist because he saw an advertisement for a babysitter on the noticeboard in the British embassy in Moscow where he was studying Russian.

The woman looking for a babysitter turned out to be Julia Watson, who wrote for the Daily Mail.

Although Oliver had edited the Manchester Grammar School newspaper, he was far more interested in drama and wanted to be an actor.

Through the babysitting link and a story he gave to the Daily Mail on compulsory Aids tests for foreign students in Moscow, Oliver Phillips was gradually sucked into the world of journalism and talked his way into a job with the Moscow bureau of Ted Turner's Cable News.

"This I enjoy - and they pay you. So acting for a lark," is how he remembers his reaction. At 24 he is nearly half way through a two-year traineeship with Independent Television News and the third person in its Moscow bureau, earning just over £16,000 a year and occasionally staffing the bureau alone in an emergency.

He has already achieved one ambition - to hear himself saying the words: "Oliver Phillips, ITN, Moscow."

Oliver Phillips's way into broadcasting was more than a little unusual. He was also extremely lucky to get one of ITN's three or four traineeships a year.

More than 400 apply, and people like Mr Frank Miles, the manager of the ITV trainee journalists course, is looking for real evidence of prior commitment, ranging from hospital radio to summer shifts on newspapers or television companies.

Most of all Mr Miles is looking for "that spark, that enthusiasm, that determination to get up and do something about journalism."

However, at the moment recruitment prospects in ITV as a whole are bleak, with most companies trying to shed staff in the run-up to next year's competitive tenders for new franchisees.

According to Mrs Sue Davis, training adviser to the ITV companies, "there is virtually no recruitment going on at all."

The big exception is the 100 or so sales and marketing jobs that come up every year.

Over at the BBC the variety of opportunities is much greater, with formal schemes covering everything from studio management, local radio and the World Service to production and news. About 70 places a year are available, although the competition is intense, with often many hundreds of applicants for each place.

"You have got to have something to say about yourself that is relevant. Being

captain of the school hockey team or head boy or head girl is not enough," says Fiona Russell, the BBC's corporate recruitment officer.

Ms Russell adds, however, that the BBC has been intensifying its efforts to make sure new staff reflect the composition of society better than in the past.

Although the BBC would clearly like to have more recruits from a non-Oxbridge background, Oxbridge graduates do continue to shine.

"It's something in the water. They know how to market themselves," Ms Russell said.

This could mean more mature entrants and not quite so many vacancies for bright young things. The BBC also stresses that no jobs are exclusively reserved for graduates.

Applying for a broadcasting job at the BBC is not a task for the faint-hearted, and Fiona Russell says it takes about a week to fill in the application form properly, complete with thoughts on new programme ideas. More than 6,000 forms are sent out, but only about 2,000 come back.

Applicants for radio jobs are sent a blank tape. On one side applicants construct a radio news bulletin from a bundle of press releases, and on the other they conduct an interview with a newsworthy person in their community.

In spite of the difficulties of getting a first job in broadcasting, particularly with the established broadcasting organisations, overall the prospects have rarely been better, with the launch of new commercial radio stations, both local and national, the arrival of satellite television, and plans for a fifth national television channel.

Noel Gay Productions, for example, which provides light entertainment programming for British Satellite Broadcasting, recently took on 100 people, many of them young.

The move to independent production is one of the most hopeful developments for would-be broadcasters, with the government insisting that the independents should have access to 25 per cent of Britain's television channels.

There are now more than 1,000 independent production companies, and for many the best chance of getting into broadcasting is to get a job as a "runner" or office assistant in a small production company - and learn from the bottom up.

To encourage proper training for independents, the sector has set up the Independent Media Training Federation which has produced a guide to careers in the television, film and video industry.

How does it suggest a broadcasting hopeful avoid being one of the thousands rejected every year?

"By being extremely realistic, finding out what the different parts of the industry look for, both at the entry level and subsequent stages, matching yourself against suitable vacancies, and then persuading someone very effectively to give you a break..."

Further information: Independent Media Training Federation, 26 Noel Street, London W1V 3RD.

Raymond Snoddy

# C

CHARITIES  
CHEMICALS  
CIVIL SERVICE  
COMPUTING  
CONSTRUCTION

CHARITIES

# Where conscience rules the pay packet

FINAL-YEAR students, faced with the terrifying prospect of committing themselves to a career, are increasingly rejecting the money-driven aspirations which coloured the 1980s and turning to the non-profit sector.

A recent survey by KPH Marketing reveals that almost three-quarters of students polled would expect an employer to have a socially responsible corporate image.

Opting for a career with a conscience does not mean, however, that the road to employment is going to be any easier. In fact, it is likely to be much more difficult.

Charities, which depend on the goodwill of others, are largely uninterested in the idealism of raw graduates.

Olga Johnson, managing partner at Charities Recruitment, an agency which scouts out talent for the non-profit sector, sees few initial opportunities for the graduate. "At the moment, charities want people who are running when their feet touch the ground." And that means experience. "Once they have at least the first year of work under their belts, they will be a much more attractive proposition," she says.

Getting that experience requires research into the type of charity work which interests you, and then approaching a suitable organisation. The Family Welfare Association publishes details of all registered charities in its *Charities Digest*, while the Charity Aid Foundation lists the top 400, along with addresses in its *Charity Trends* magazine.

The next thing, according to Sam Osmund of recruiting agency - and charity - Charity Appointments, is to do volunteer work. "From the credibility point of view, if you've never done anything in the voluntary sphere, your application may look hollow. But it will also give you a taste for the satisfactions and frustrations of the job."

Charity Appointments (8 Spital Yard, Bishopsgate, London E1 6AQ) publishes a useful booklet describing the opportunities in the non-profit sphere.

Most charities agree that voluntary experience is vital. Charlotte McDonald, of Amnesty International, says specialised knowledge of a particular region is required for most Amnesty posts and recommends at least a year abroad. "Graduates who have strong links to a region and who have done voluntary work stand a better chance of getting in than someone with a brilliant degree."

Training graduates is out of the question for most charities. Fifty per cent of graduates leave their first job within a year. Non-profit organisations cannot afford to pour money into such a transient workforce.

The NSPCC is one of the few charities to run a graduate training scheme. But since 1987, places have been cut from three to one.

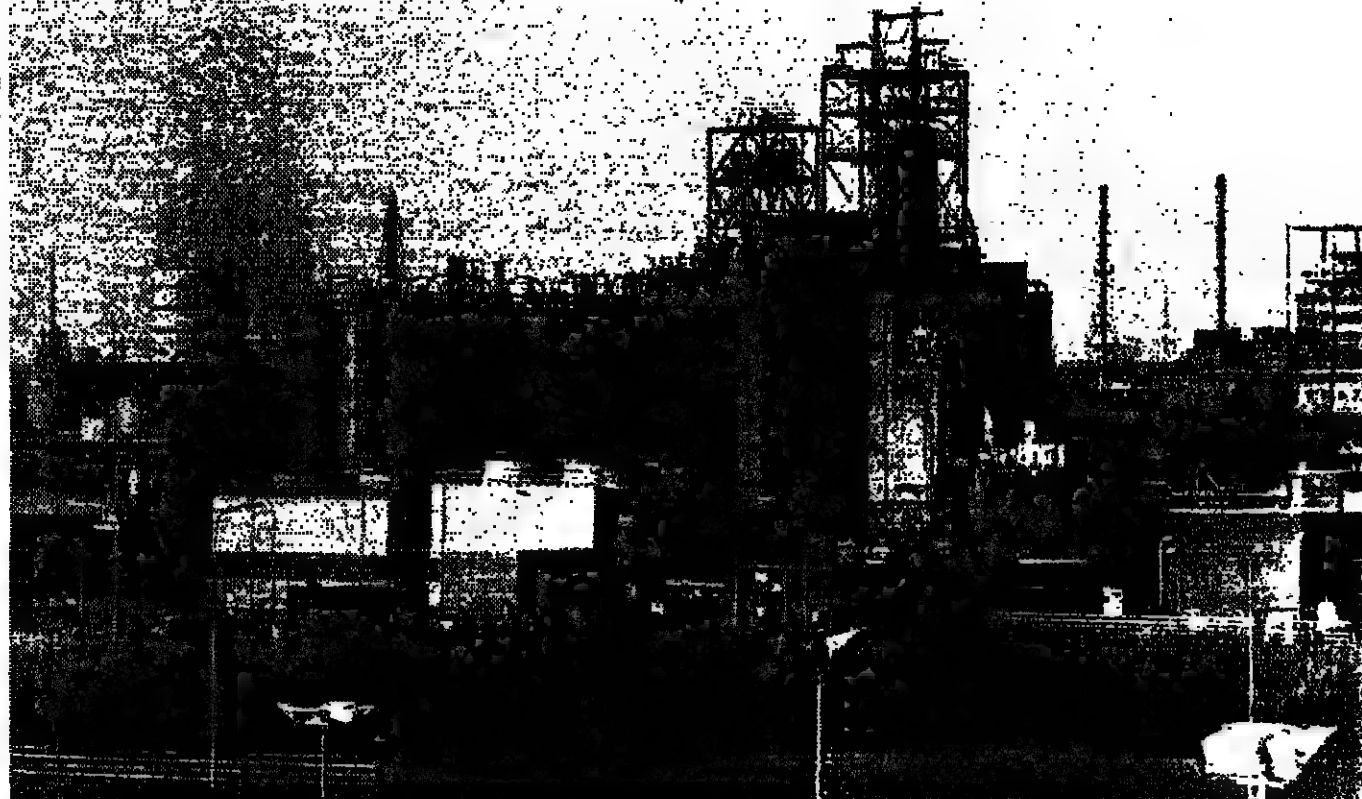
Your best bet is to go into the business world and get some experience - in marketing, for example. "The snag is that if you stay too long in the business sector, your salary aspirations may get out of line with what charities offer," says Mr Osmund.

Salaries will never be high at entry level. Small organisations tend to offer about £7,500 to £9,000, while the bigger charities start at about £15,000. Eventually, the top jobs in charitable organisations rival even the business sector at £50,000 to £80,000 for directors. "It's a big business," says Stephen Lee, director of the Institute of Charity Fund-Raising Managers. But it is a business activity "which big business could not deal with effectively," he says. "Where else would an appeals director, with 400 staff, have to raise £40m a year and at the end of that year give all that money away to the charity to spend. The bank would laugh you out of court."

Mr Lee's advice is to examine fund-raising, where charities are increasingly looking to graduates. Other types of jobs include general administration, management, finance, social work, editors, and lawyers.

The charities most amenable to green graduates are environmental organisations, says Ms Johnson. Small organisations mean a broad range of first-hand experience and prove the best training ground.

Although the way in to paid charitable work is bound to



ICI petro-chemical plant in Wilton, Cleveland: Britain's biggest manufacturer is cutting its intake this year to 350 graduates

able to survive for long without graduates. The recruitment crisis now being felt in business will soon affect the non-profit sector.

Further information: Charity Appointments (see above) or Charity Recruitment, 11-15 Betterton St, London WC2H 8BP. Telephone: 071-379 0344

Peggy Hollinger

CHEMICALS

# Industry beset by a pollution problem

THE CHEMICALS industry has a problem. It needs people with good scientific credentials who are not put off by its image as an environmental hazard. But for those graduates who are willing to look past the image - or who perhaps are not squeamish about environmental issues - the industry can offer some of the best industrial opportunities.

The UK chemicals industry, with annual sales of about

£25bn, is one of Britain's biggest manufacturing sectors. It is also in a much healthier state than many other areas of industry, with a balance of payments surplus of about £3bn and a good growth and profits record.

Chemicals in the UK is also a highly international business. Many chemicals companies based in Britain export 70 per cent or more of their production and have many overseas bases. More than in almost any other industry, the chemicals sector thinks of its sphere of operations as the world rather than a single country.

The business spans a great many sectors. It covers chemicals such as drugs and agrochemicals which are made in small volumes, to bulk materials made in huge plants at the rate of hundreds of thousands of tonnes a year.

The selling price for chemicals extends over an even bigger range, from a few hundred pounds a tonne for many bulk materials to thousands of times this figure for specialised industrial additives or raw materials for medicines.

The pollution issue is one of the biggest problems facing the industry. Executives in the sector realise they will have to do more to make their

plants produce smaller volumes of unpleasant or dangerous wastes and also tackle some of the difficulties associated with disposal of chemical products.

Disposing of plastics waste - a large component of domestic rubbish - is a case in point. Several chemicals companies have in recent years announced recycling programmes intended to take such waste and refashion it into new products. One example is to turn drinks bottles made from polyethylene terephthalate into specific, relatively low-grade products such as fence posts or building material.

Another difficulty for the industry concerns the tough time the sector is going through in much of the developed world. Chemical industry profits hit record highs in 1988 and 1989. However, in the past year profits have dropped as demand has slackened off in many nations, particularly the US and UK, as a result of a cyclical downturn in the industry.

Some analysts assert that the business could be facing another recession which brought it into deep trouble in the early 1980s. Others, however, say that the reduced

profits are simply a return to "normal" trading conditions after the peaks of profits in the late 1980s and that the industry is still basically in a healthy shape.

The chemicals industry in Britain recruits about 1,300 graduates a year, roughly a quarter of them chemists. These people can do a variety of jobs in research, marketing, plant operation and administration.

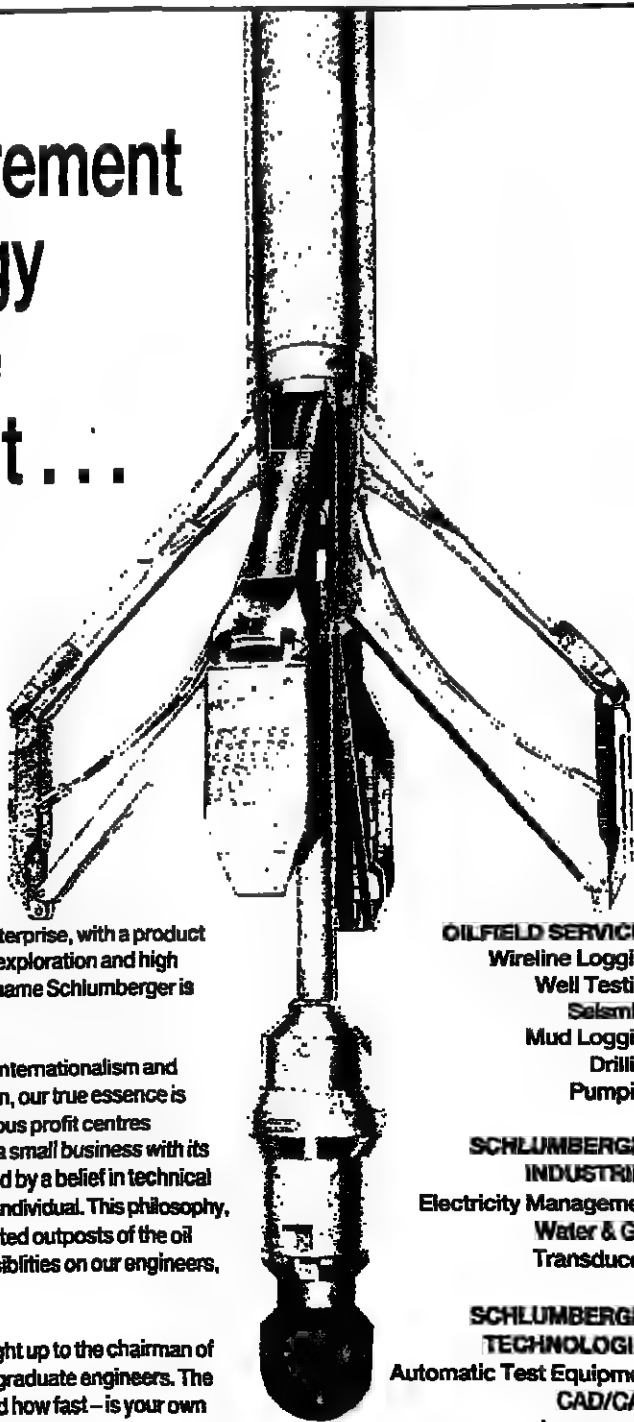
Imperial Chemical Industries, Britain's biggest manufacturer, is the leading UK chemical company and the fourth largest worldwide. It is also one of the UK's biggest employers of graduates.

The details of ICI's recruitment round this year illustrate many of the general trends in this industry. The company intends to cut its graduate intake by 12 per cent this year compared to 1988, as part of a process of adjusting recruitment levels to meet changes in overall business conditions.

ICI plans this year to recruit about 350 graduates, three-quarters of them for scientific and engineering jobs compared to 400 in 1989. It says it is in line to meet its target number of recruits, who should start work at the company in the autumn. The cut in

Continued on next page

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now



Continued from previous page  
graduates - which comes after a big increase in ICI's graduate intake in the past few years - fits the thoughts in the industry that more difficult times are ahead.

In this year's recruiting, ICI has found it relatively easy to attract graduates in engineering, but has found it harder to gain recruits in disciplines such as chemistry. Salary levels for this year's intake of graduates at ICI give some idea about the kind of pay such people can expect, with the proviso that graduate pay at ICI is, in many cases, 10 per cent above the average.

Most people with first degrees entering ICI this autumn will be paid between £12,100 and £14,500, compared to a range between £11,000 and £13,000 in 1988. Recruits with doctorates and other higher degrees will be paid between £15,800 and £17,050, up from £15,000 last year.

After ICI no single company in the UK chemicals business accounts for more than about 100 graduates a year, with Glaxo and BP Chemicals taking in roughly this number. Shell, Albright & Wilson and Exxon are other significant employers of graduates.

Chemical engineering is one of the specialised disciplines required in the chemicals industry. Many more chemical engineers will probably be required in the next decade to tackle some of the pollution problems.

According to a recent survey from the Institution of Chemical Engineers, engineers in this discipline are more highly paid than from any other professional engineering discipline. The median salary for a chartered chemical engineer is now nearly £27,000, a rise of 23 per cent from the 1988 level of £22,000, the last occasion when the institution did a comparable survey.

The top 10 per cent of chemicals engineers can expect to receive a median salary of nearly £44,000, according to the latest survey.

Further information: Chemical Industries Association, Kings Buildings, Smilg Square, London SW1; Institution of Chemical Engineers, 166 Railway Terrace Rugby CV21 3BQ

Peter Marsh

## How to get high in drugs trade

MANY people associate the pharmaceutical industry with profiteering from people's illnesses. That is a sentiment which, even though it appears to many within the business as woolly-minded and illogical, persists, in spite of all efforts by the industry to encourage the public to have a more positive perception of its activities.

The drugs industry in Britain and many other developed countries is among the biggest private-sector employers of scientists. It needs these people not only to work on the biology and chemistry principles associated with new drug development but to supervise the clinical trials on patients which are a vital part of bringing new medicines on to the market.

Many in the UK industry believe that recruitment difficulties lie ahead. This is not only because of the problems of attracting scarce scientists, at the level of new graduates and more experienced people, to an industry that is some way down the ratings in terms of overall popularity. Pay levels are a problem, too. When compared with other sectors such as financial services and accountancy, scientists' salaries in the pharmaceutical sector are low.

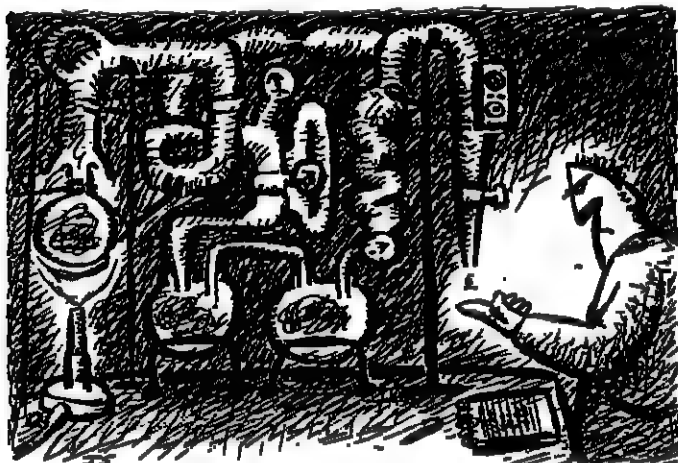
None the less, the drugs industry in Britain touts its image as one of the UK's most successful science-based sectors, offering good prospects for workers. The business is commercially very healthy. It has an annual output in Britain of about £5bn, contributing some £200m to the UK balance of payments.

International opportunities for scientists entering the industry are improving as Europe gears up for the abolition of trade barriers across the European Community after 1992. There are good prospects for UK science graduates, for example, working in a number of other European countries where the drug industry is keen to increase its supply of qualified people. Pay levels abroad are often higher than in Britain.

The industry is generally seeking graduates with degrees in chemistry, biology, pharmacy and pharmacology. Graduates can expect to work on a variety of research and development programmes - either in the area of pure research aimed at uncovering disease mechanisms or in managing trials, which is a vital part of all drugs work before marketing.

Large UK-based drugs companies include Glaxo, Wellcome, SmithKline Beecham, Fisons and the pharmaceutical division of Imperial Chemical Industries. Smaller groups which also are significant employers of graduates include Smith & Nephew and Boots.

Britain is also home to the research laboratories and production centres of a number of other large medicines



businesses which are foreign-owned. These include Hoechst of West Germany, the US's Merck and Pfizer, France's Rhône-Poulenc and Ciba-Geigy of Switzerland.

The UK medicines industry is a heavy spender on research and development. It spends about £700m a year on this area, some 15 per cent of its total output. It employs 15,000 people in R&D, roughly half of them scientists and, out of the 750 or so graduates it will be aiming to employ in an average year, some two-thirds will be for scientific jobs.

The sector expects problems in finding enough people for the non-research jobs such as marketing and administration. But these difficulties do not compare with the expected difficulties in filling scientific vacancies.

A big problem is that many scientists, especially chemists, are not enthusiastic about entering industry, according to Mr Ray Cowie, graduate development manager at Wellcome.

Wellcome's experiences this recruiting round are probably typical of many other companies. It is hoping by the autumn to recruit about 55 new graduates and Mr Cowie says he is confident he will get "85-90 per cent of the target". About 70 per cent of the total will be scientists and 15-18 of these chemists.

The difficulties have been underlined by recent reports warning of skills shortages facing the sector. A study in 1989 by the Association of the British Pharmaceutical Industry, the main trade body for the business in Britain, said that most UK drugs groups were extremely worried by likely shortages of research people in the 1990s and that this could harm the sector's economic potential.

Other studies have talked about likely shortfalls in numbers of people skilled in biotechnology.

One problem in recruiting new graduates is a widespread belief among scientists that much research in the pharmaceutical business is intellectually unexciting.

To some degree this is true, and researchers in the sector will probably find they are given less freedom to investigate genuinely new areas of science than in a research environment of a university. However, the fact that most drug companies are much better endowed financially than the average academic institute acts as a counterbalance.

Further information: Association of the British Pharmaceutical Industry 12 Whitehall London SW1A 2DY 071 930 3477

Peter Marsh  
CIVIL SERVICE

## A separate breed running the nation

GOVERNMENTS may come and go, but civil servants run the show. Because they are responsible for putting government policies into place, they can shape legislation, sometimes in a manner that does not conform to the plans of the framers.

At the top, the civil service is still a separate breed. Today's senior officials were largely recruited in the 1980s. Their loyalties and inbred sense of discretion have been

of them have never worked outside the civil service, except perhaps for a secondment with a private company or with some other sort of public sector body.

This lifetime training in the Whitehall mould has set them apart. It matters much more than whether they are public-school-educated - many are not - or Oxbridge graduates. The point was that once within Whitehall, there was little doubt that they were there to stay.

But it is changing. If you are successful in the fast-track entrance exams, you will still be regarded as the cream of the civil service. It will be assumed that you will be getting near the top by the time you are 45-50.

In reality, you may well not make Whitehall your whole career. The civil service is not what it was when today's permanent secretaries were appointed. Young people are more likely to change employers, although that is a development with which the civil service has not yet come to terms.

Another point is that the traditional ideal of public service is not what it was. It was already receding before Mrs Thatcher came to power. Her periods of office have undermined it more.

So if the prospect of power is what motivates you, you might be better taking your chances on the political path.

On the other hand, if you want to learn management skills, there is plenty of opportunity in the civil service. Even those who make administration their goal will probably have to do a spell helping to manage one of the agencies being set up to carry out the huge volume of government executive work.

The scope to be a top-flight manager, however, will be limited. Public spending constraints must continue to define the limits of management freedom. The absence of a profit and loss account in government activities makes it more difficult to assess achievement, and therefore reward. Pay is more flexible in the civil service than it was 10 years ago, but there can be no pretence that a top civil servant will earn anything like a senior business manager.

There are no perks like a company car, expense accounts or subsidised mortgages, although the pension arrangements are good. Retirement at 60 leaves many energetic civil servants free to take top jobs elsewhere.

On the other hand, job security is very much higher than in the private sector. Promotion to a respectable grade is likely, unless you do something really awful. There is considerable variety, and swapping between different departments is certainly easier than changing employers in the private sector.

If you make the managerial side of the civil service your career, you may well be able to spend most of your working life outside London. The departments of health and social security, for instance, are moving most of their head office staff to Leeds. The Inland Revenue, and Customs and Excise are dispersing senior people around the country.

Management training is provided for all senior civil servants today. If you want to pursue the more traditional high flier route, via the minister's private office, London will still be a must. The danger is that the splits between managers and policy makers/advisers, and between London and the rest of the country, will become increasingly trenchant.

service of those at the policy core and those out managing the agencies.

As for entrants, many Oxbridge students take the fast-track entry exams almost as a matter of course. Students at other universities and polytechnics seem much less aware of what the civil service has to offer, and think that they will fare badly in the highly competitive exams. But the Civil Service Commission - responsible for recruitment - says that it is just as keen to get entrants from non-Oxbridge students. The results of exams show that there has been a definite swing towards non-Oxbridge.

Women make up about half of the successful administrative candidates, although the proportion is lower for entry to some of the specialist areas. Efforts to promote equal opportunities in the civil service for women and ethnic minorities have been stepped up. Women are moving up the ladder, but slowly, and perhaps largely because their male colleagues are more likely to quit the civil service. Ethnic minorities have hardly made an appearance yet at the higher levels.

Hazel Duffy

## Exams are groovy but the work's a grind

IT IS sometimes said that the civil service exams are a lot more fun than the work you are likely to do if you pass them.

Naturally, civil servants contest that assertion, but most probably agree that the exams are indeed enjoyable. Just sitting the exams, whatever the outcome, can also be a very useful experience since they form the basis of many companies' assessment programmes.

The selection procedure for the civil service's fast-track recruits has three elements: a qualifying test; the civil service selection board (or Csisby); and the final selection board. This series of assessments forms one of the most stringent selection procedures in the world.

The initial all-day intelligence test contains seven multiple choice sections designed to evaluate candidates' use of words and general reasoning skills. Crossword enthusiasts will be in their element as candidates are asked to juggle with words, their meanings and applications. If you cannot remember what adverbs, nouns and participles are and what they do, it would be well worth finding out.

Later, you have to play a form of dominoes, which, you'll be pleased to know, is an "assessment of non-verbal deductive reasoning and flexibility of thought." There is also a statistical

interpretation test and a data sufficiency test, a mind-bending exercise to identify the least amount of information you need to solve a problem.

Like all exams, much depends on technique. Many applicants spend too long grappling with the frustrations of individual questions and are unable to finish them all. Speed is of the essence. Don't be afraid of giving stupid answers - the tests are marked by computers anyway - and guess at answers you're unsure about. If you get really tight for time, it is worth picking your favourite letter and filling in all the remaining spaces. Many applicants fail by the narrowest of margins and a few "random" points could make all the difference.

Most candidates fail at the first hurdle, although there is nothing to stop you re-sitting the qualifying tests at a later date. In 1989, only 271 applicants passed the qualifying tests out of the 1,505 people who sat them.

Candidates who do pass then move on to the delights of Civil Service Selection Board, a two-day selection course stuffed with interviews, group discussions, and written exercises. One of the tests requires you to draft a letter where the "need is for sensitive and tactful handling of a delicate matter". The assessors are looking for people who can express themselves clearly, in conversation and in writing, but who are flexible and fair-minded.

For those specifically interested in the Foreign Office another joy awaits - being grunted at in a language laboratory. Potential diplomats are expected to show some linguistic aptitude and so are subjected to a barrage of screams, gurgles and strange noises. The idea is that you should be able to interpret these wallings, learn some vocabulary and be able to grasp the grammatical basics of this peculiar language.

An ability to speak other languages is not any guarantee of success although it is undoubtedly a help.

Of the 200 people who attended Csisby last year, 85 were recommended for the final selection board. This consists of a gruelling interview with a panel of assessors. The chances of surviving this are high. Last year 65 were offered jobs.

John Thornhill

## Scientists tackle Whitehall's hurdles

"EXCELLENT facilities and intellectual freedom" are the two main attractions the civil service has for science graduates, says the Civil Service Commission responsible for their recruitment.

There are, of course, certain constraints on freedom. A number of the jobs relate to defence work, so this is not the career for pacifists. But there are many more peaceable areas of research sponsored by government, ranging from the greenhouse effect and buildings (the Building Research Establishment) to fluid dynamics and robotics in the National Engineering Laboratory.

The variety of disciplines the civil service offers can appeal to graduates. Each year, about 480 science graduates are recruited, making the civil

single recruiters. Most come straight from universities and polytechnics. Vacancies which departments expect they will want to fill are advertised in a guide published by the Civil Service Commission. Some jobs are also advertised in specialist publications, usually the New Scientist. Commission staff say they also try to visit every university and polytechnic each year to talk about prospects.

Students interested in a scientific career are not required to take the qualifying test which prospective high-flyers entrants must sit. Selection is by interview - the Commission conducts about 1,000 each year.

The strong bias towards Oxbridge which has dominated selection has declined in recent years, although many students at other universities, and particularly polytechnics, still assume it is not worth their while attempting the entrance procedure. This is not the case for the scientific civil service, says the Commission. Top suppliers of recruits have included Reading and Leeds universities, for instance. HNC or HND qualifications, are accepted as entry to the scientific officer (SO) grade, as well as students expecting to get a degree.

Starting pay for an SO in 1990 will be between £9,900 and £13,500, depending on location and discipline of the work. Graduates with four years' postgraduate or other approved experience can earn up to £20,000.

Promotion might require some managerial and administrative work to be combined with research, but scientists who want to concentrate on their special field can be promoted - and therefore go up the salary scale - without changing their jobs.

Those who enter as SOs should, by their mid-30s, have reached Grade 7, which pays in the region of £30,000. After that, promotion depends on ability and the sort of jobs on offer. The research agencies are in the process of being given more managerial independence as executive agencies - part of the Whitehall reform movement inspired by the Next Steps report. These will be headed by a chief executive. Outsiders will be eligible to compete, but insiders stand a good chance of being appointed, judging by the progress to date.

At the very top are the scientific advisory posts in most departments, which are just below permanent secretary level.

The drawbacks of the civil service for many people are the rigidities of its structured organisation. Science graduates have tended to be shunted into specific jobs. The complaint of critics is that the arts, and classics, still predominate in the top echelons of Whitehall. There are few science graduates advising ministers on policy.

In the past couple of years, the Commission has tried to redress the imbalance, and to widen the opportunities for science graduates in management. The new scheme for science management trainees is similar in some respects to the "fast-track" administrative trainees. Candidates need a good degree. They are selected at interview (no qualifying test), but must then go through the same Civil Service Selection Board and Final Selection Board procedures as their administrative colleagues. They start on higher salaries, initially in the scientific arena - they must prove themselves as good scientists - and can then expect promotion which will be more rapid than for the SO recruit.

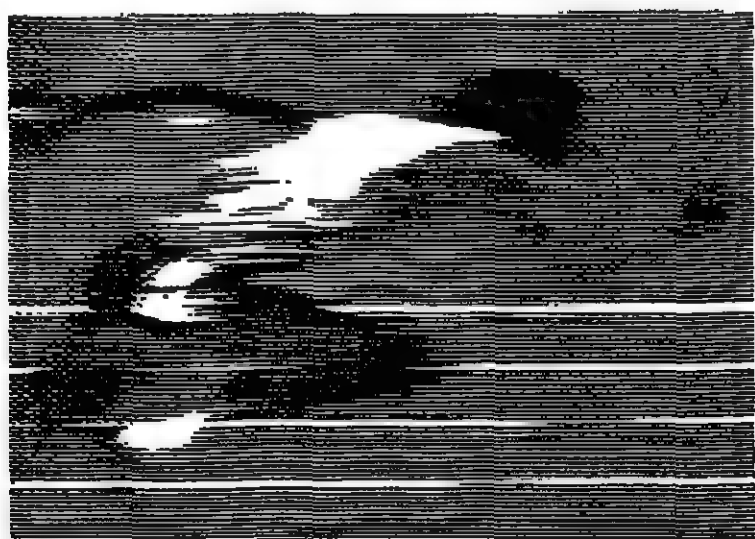
Only 15 such trainees have been taken on to date, fewer than the Commission had hoped. Probably, it needs to get its message over to final-year science students who might not previously have contemplated the civil service. Whitehall is becoming more managerial-minded, but it takes time. Alert students would be forgiven for seeing Whitehall officials as plodders putting over their wares, compared with some of the slick presentations by private sector interests.

The research reputation a scientist can win in the civil service, however, is reflected in public life, where they figure prominently. Projects are obviously less commercial than in the private sector, although all areas of the civil service are being encouraged to think more about selling their expertise to new customers. It would also be unrealistic to assume that the public sector will fund projects regardless of the state of the public purse. Bureaucratic hurdles can still be highly frustrating, however much Whitehall is trying to change its image. And, at the end of the day, the pay will never be brilliant.

On the other hand, security of employment is much higher in the civil service.

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COMPUTERS

You don't have to be a nerd to make it

A COLLEAGUE who read English at university but who has since achieved distinction in a computing career, remembers with gratitude advice she was given on graduation. "Computing," her mentor said, "is too important to be left to the technologists."

It was an acknowledgement of the fact that with the advent of microprocessors and the personal computer, computing, once the exclusive concern of computer scientists housed in data processing centres, has become a tool for everybody.

Indeed, the majority of jobs in the computing business are not only open to non-computer specialists, but employers frequently prefer graduates from other disciplines.

One data processing manager spoke for many: "People with a vocational training are of no interest to me. What I need is people who can think, think, think!"

He was exaggerating, but he was nevertheless making a serious point - that commercial data processing offers only limited opportunities to computer "nerds" who are interested only in bits, bytes and bandwidth, and have no grasp of, or enthusiasm for, the business of business. Of course, there is a role for the technical specialist, but usually with a manufacturer, software house or systems integrator rather than a commercial company.

Mr Rob Roseveare, careers manager at the National Computing Centre, the organisation which seeks to help British firms make the most of their computing, says employers are often dissatisfied with computer science graduates who, he says, take courses too theoretical and remote from the realities of commercial data processing.

So graduates from virtually any discipline can make a successful career in data processing, given that they have some basic mental attributes which include:

- A reasonable level of numeracy. Employers are looking for people who are not afraid of numbers rather than degree level mathematicians or physicists;
- Competence in verbal reasoning. A prime requisite in business is the ability to argue a case, say for investment in a new database, clearly and cogently;
- Speed and accuracy. Most business opportunities have only a limited window in time before competitors catch up or move ahead. There is no room in business for a dilatory approach to creating systems;
- Spatial ability, or the knack of thinking in three dimensions. One of the attributes which distinguishes the natural computer programmer.

Mr Roseveare puts it more pithily: "Employers are looking for people who can communicate, who can listen and who can create order out of disorder."

A good example of an employer anxious to recruit humanities graduates for data processing is Boots, the pharmaceutical chemist, based in Nottingham.

As befits a household name in the UK with a presence on virtually every major High Street, Boots has a large data processing department, 650 strong, and recruits about 25 trainees a year. Mrs Nicky Hill, Boots recruit manager for information systems, says most trainees are recruited from universities and polytechnics, although increasingly the company is looking at people with lower qualifications.

Boots is anxious to recruit non-computer scientists because it believes personal qualities are as important in the making of a programmer as technical skills. Mrs Hill says she looks for logical thinking and attention to detail as the principal attributes.

Trainees are taken on at a starting salary, in Nottingham, of £11,000 to £11,500. Every trainee goes through three months' basics before two years of training in systems analysis - working out the nature of a business problem and designing a solution; and programming - writing the coded instructions which drive the computer. There is the opportunity to move from data processing into the mainstream of the business.

The banks are substantial users of information technology. National Westminster, for example, has a team of 1,800 data processing specialists and takes on



The computerisation of the arts graduate can be a real horror show

graduates. Ms Colleen Guy, IT recruitment manager, says the bank will take graduates with any degree, provided they have basic ability and potential. Over the years, the computer industry has developed a set of aptitude tests which sort those happy to write Cobol code from those who could not bear it.

Everybody has to undergo the same training, provided by the bank's 35-strong training department.

Typically, a graduate trainee in London will be paid £10,800 with 23.7% London allowance, and all the special advantages of a banking career including low-interest mortgage.

After three weeks with the bank, a NatWest analyst trainee could expect to be working on a live project designed to improve the bank's profitability.

The fact remains that virtually everybody employing data processing staff complains they find it difficult to attract arts and social science graduates.

But business is changing, and a firm grounding in information technology is becoming essential for the ambitious executive. There is a great deal of interest these days in the concept of the "hybrid manager" with data processing knowledge and business skills.

Further information: British Computer Society, 13 Mansfield Street, London W1M 0BP (Tel 071-637 0471); Computing Services Association, Hammer House, 73-74 High Holborn, London WC1V 6LE (Tel 071-405 2171); National Computing Centre, Oxford Road, Manchester M1 7ED (Tel 061-228 6333).

Alan Cane

It's not just a pretty interface

A GRADUATE of 1960s vintage transposed to the 1990s would find the UK computer industry had changed out of all recognition in three decades.

The differences are evident in the industry itself, in the manufacturers of computer hardware and software, and in the way computer systems are used.

There are, for example, only remnants left of a UK-owned computer hardware business. International Computers (ICL), the UK's only mainframe manufacturer, was sold to Fujitsu of Japan earlier this year. The hardware manufacturing arm of Apricot, formerly the UK's largest workstation manufacturer, was likewise sold in 1990 to Mitsubishi, also of Japan.

These sales leave Amstrad, the consumer electronics group best known for word processing systems and home computers, and Research Machines of Oxford, as the UK's largest computer manufacturers.

services sector, a heterogeneous collection of companies including software houses, consultancies and specialists in systems integration. Sema Group, the largest UK software house by market value, is now essentially under French management - it was formed by the merger of Cap Group of the UK and Sema Metra of France. Earlier this year, Hoskyns of the UK was bought by the French group Cap Gemini-Sogeti, which is the largest European computing services company.

Add to this the fact that the UK computer industry, hardware and software, is going through a bad time because of the economic situation, and the question has to be asked: is computing in the UK still a healthy career option?

The answer is yes, partly because the computer industry is not homogeneous, but two industries in one. There are the manufacturers of hardware and software houses; and then there are the companies which use computers and which need to have their own data processing personnel. The hardware makers include mainframe computer manufacturers such as International Business Machines, ICL, Unisys, Digital Equipment and NCR. There are still jobs for hardware specialists in the UK, but not in the numbers there would have been a few years ago. These companies are owned by parents overseas, and most of the basic research is carried out in their country of origin.

ICL is a case in point. After the Fujitsu takeover, it is likely that design work on ICL machinery will continue in the UK. The company is particularly good at distributed processing systems - where small computers in departments or subsidiaries are linked over telecommunications networks to corporate mainframes - of the kind that will be increasingly important to businesses in the 1990s. But since 1981, ICL's basic technology - its microprocessor chips, printed circuit boards, cooling systems and so on - have been supplied by Fujitsu under a special agreement.

IBM, the world's largest computer manufacturer, splits its research and manufacturing activities between a number of sites worldwide. Greenock in Renfrewshire, Scotland, for example, is its European centre for personal computer manufacture; and Hursley Laboratories, in Hampshire, is one of its principal centres for research on the "human-machine interface", the relationship between computers and the users.

NCR, based in the US, designs and manufactures automated teller machines (ATMs) or automatic cash dispensers for the world market from its facilities in Scotland. Digital Equipment and Hewlett Packard of the US have research centres in the UK.

So there are a broad range of options for hardware

British-owned computer manufacturer have diminished - but the computer business is becoming increasingly global with its technology centres in the US and Japan.

If there is to be a renaissance in the British computer industry, it will turn on the ways these chips are designed into imaginative new business equipment that can be sold on world markets.

Software specialists have two choices. They can work for computing services companies, where the work will often be at the leading edge of computer technology, or they can work in the data processing department of individual companies. Here the techniques used may not be as advanced, but in exchange graduates have the satisfaction of working on systems that directly affect the profitability of their employer's business.

It is in the applications software area that a 1960s graduate would see both the biggest similarities and the biggest changes. First, Cobol, the Common Business Oriented Language, which enabled commercial computing to make huge strides in the 1960s is still the most popular programming language. Second, proprietary architectures - manufacturers' own designs and operating systems - are beginning to give way to a common, industry standard operating system based on Unix, an operating system developed by AT&T. Many graduates in computer science will have used Unix during their academic career.

AC

A cast of thousands needed in technology

COMPANIES' plans for recruiting data processing staff have been cut back somewhat this year in response to slower growth in the UK economy. In the long run, however, it seems likely this will be seen only as a blip in an otherwise upwards trend.

According to the National Computing Centre, there are about 260,000 people working in computing jobs in UK user organisations - that is, in companies which maintain a data processing department to run their computer systems but which do not make either hardware or software.

The demand for skilled data processing specialists is growing at about five per cent a year, and there are not enough new people entering the industry to satisfy this increasing demand. In addition, the NCC says, there are roughly 20,000 vacancies at any time for computing jobs which means that there is about an 8 per cent skills shortfall in the UK.

The main areas of concern are programming and systems

communications and networking specialists as companies move to distributed computing, where telecommunications is the glue that holds networks of departmental computers together.

The problem is just as serious for hardware and software companies; in the past few years the principal constraint on business for UK software houses has been a shortage of the right kind of computer specialists.

Pagoda, a London-based consultancy established to advise companies on dealing with the problem, believes the demand for highly qualified computer specialists exceeds supply and is likely to do so indefinitely.

The larger UK computing companies play a big role in recruiting and training graduates, but they are all influenced by the economic climate. STC, for example, which will continue to own all of ICL, the UK-only mainframe manufacturer, until November 1990 - when it will sell a majority share to Fujitsu of Japan - is recruiting just over 400 graduates this year, compared with 500 previously.

It takes graduates from all disciplines, but about 35 per cent of the places it has available are filled by students it has sponsored through university or polytechnic. Sponsorship is a popular form of preliminary sifting mechanism with STC, says graduate recruitment manager Robbie Cookman. It takes a lot of the guesswork out of recruitment, both for the company and the student.

It also has special relationships with a number of institutions - Manchester University, for example, where the earliest British computers were designed and built; Loughborough University and Queen's Belfast, near the company's Monkstown manufacturing plant.

By virtue of its role as a designer of computing and telecommunications hardware, STC takes on many people with a computing or scientific background - perhaps 300 of the 400, but fewer than 100 will be recruited for hardware design.

ICL is today very much a "systems integrator", specialising in putting together

hardware and software to solve its customers' data processing problems. In consequence, software has a much higher priority, and most of the graduates who enter ICL on the technical side will work on software. The company also recruits graduates for a range of roles including marketing and sales support, for which some knowledge of and interest in computing is desirable but not, at first at any rate, essential.

The same pattern is apparent at International Business Machines. It is taking on 220 graduates this year, a slight increase on the year before. Most come from a scientific or computing background. The majority of recruits will train as "systems engineers", a title which sounds more technical than it really is.

Another principal route for graduates in IBM is into systems programming - designing, writing and testing software.

Logica, a large computing services company, takes on about 300 graduates a year, of which most are computer scientists or come from other scientific disciplines. Mr Vernon Martinus, Logica's recruitment manager, agrees the company hires relatively few arts or humanities graduates "because we do not seem able to attract them".

Certainly the thought of joining a high powered software house and being pitched into project development work from the word go may be a little daunting for the arts specialist. But, Mr Martinus explains, the company has an in-house training operation - Sesame - which provides training for Logica staff at all stages in their careers. Newly-recruited graduates would spend a couple of weeks with Sesame learning the elements of essential computer languages like Cobol, Fortran or C. What are graduates paid when they join the industry? Logica is fairly typical. A graduate with a first degree gets £12,750, but there is a sliding scale up to £14,500 for people with second or further degrees. Progress inside the company depends on talent and application but can be rapid.

Alan Cane

PROFILE: SAINSBURY

Putting the byte into business

SAINSBURY, the UK's leading food retailer, is also a leader in the use of information technology. Its data processing centre boasts some of the most powerful commercial computers available - Japanese-built ICL Atlas and Amdahl mainframes and an IBM 3090. It is all necessary, the Sainsbury group now turns over close to £8bn, the result of 8m transactions every week, each of which has to be recorded, processed and stored.

Mr Alan Jacobs, Sainsbury's director of data processing, makes it clear, however, that the profusion of computer power is simply a means to an end - to improve Sainsbury's business performance. An historian by training, he has little time for

technology for its own sake and prefers graduate recruits in his 550-strong data processing division to have a strong interest in business rather than a passion for bits and bytes.

"It is important to understand what the business is all about," he says. "The technological side can easily be assimilated. I am looking for graduates who want to join Sainsbury's, not the data processing department."

The company is at a crossroads in its development. To a greater degree than many other UK retailers, it has sought efficiencies by automating its operations. Now it is looking for ways to extend its effectiveness through information technology. Mr Angus Clark, board director for distribution and data processing, describes it as moving from using computers to run the business better to using computers to run a better business. Mr Jacobs is looking, therefore, for graduates from any discipline with the basic aptitude to handle computing disciplines (aptitude tests give a good indication) coupled

Continued on next page



Robert Tourret and Sarah McKeown: attracted by training



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Continued from previous page with liveliness of mind. An example is Sarah McKown, 25, who comes from Somerset and who studied biology at Manchester University. She realised early in her course that the life of a biologist was not for her and on graduation went to Australia for a year working for a travel company.

She is working on Sainsbury's accounting systems as an analyst/programmer. She says programming is a little like solving crosswords.

She was attracted to Sainsbury by the extent and quality of its training, something that also appealed to Robert Tourret, 29. He works with a team producing reports from data returned by laser scanning hills.

His colourful curriculum vitae before Sainsbury includes a degree in economics, politics and Russian from London University and six years managing a branch of Oxfords.

He says Sainsbury was one of the few firms prepared to take him on and train him at an age older than most graduate trainees. Now he has completed his first solo project, a modelling method to estimate sales from stores that have, for one reason or another, failed to return marketing data to the central data processing centre.

Both Sarah and Robert agree that a formal computing qualification has been no obstacle to progress. In some ways, in fact, Mr Jacobs believes it can be an advantage because all trainees have to take extensive courses in the computer languages and methodologies.

The courses include instruction in Cobol programming, the most popular business language, systems analysis, design skills and data analysis. After basic training, graduates choose either to specialise on the technical side, working on database analysis and design and technical programming, or on the applications side working with project teams and the information centre which helps non-data processing specialists develop their own programs. Either route leads to senior project management.

Alan Cane



Canary Wharf: building is a business that is rarely predictable

## CONSTRUCTION

### Make your landmark in the cities

THE BIG issue in the construction industry is how to attract arts graduates into a £44bn-a-year business that's run by people with degrees in engineering, surveying and building.

These non-specialist degree holders are still as scarce as an uneventful day in the building industry. Valued for their intelligence they tend to rise rapidly and by their late 20s can easily double their £14,000-a-year starting salary.

But what sort of jobs are there in the muscular world of construction for a cloistered 23-year-old with a history degree? Plenty, is the answer.

Big building contractors turn over billions of pounds and employ thousands of managers. The construction sector employs more than 1m blue-collar and 250,000 administrative staff, and companies, such as Wimpey, Laing and Bovis, need general management skills every bit as much as Shell or ICI.

Although the construction industry is experiencing a severe downturn after several years of growth, graduates are still likely to be in demand. Their numbers are small in

relation to the total staff employed but having come round to the idea of employing graduates, companies are likely to trim rather than halt their graduate programmes.

There are two benefits from joining the industry. First, it is exciting: building is a business that is rarely predictable. It involves groups of people joining up for two or three years to construct permanent landmarks in the environment and permanent reminders of the stress, strain and exhilaration of the project.

Second, graduates have security value. Fewer than one person in 100 in the industry has a degree. And those that have tend to rise rapidly.

Stuart McArthur, 26, is an example of the new breed. Now an area marketing manager for Laing in the north-east he planned to become a teacher. He left Newcastle University with an upper second in English in 1986 and then took a 12-month post-graduate education course. But by the autumn of 1987 he decided to join Laing's two-year management development programme. This gives the eight or nine arts graduates, who now start on £14,000 a year, four or five month stints with various company departments, including time on a site. Other postings include a turn in the estimating department, which tenders for new work; buying, which sources materials; and quantity surveying, which monitors site costs.

The company also pays for all non-technical graduates to attend a business numeracy course at Middlesex Polytechnic to study for a one-year part-time diploma. "At the end of the two-year spell, the discipline that attracted me was marketing," says McArthur. He is now responsible for generating new business for Laing in the Teesside and Durham areas. "The one thing I like about the construction industry is that it has an impact on the environment and that everything is geared up to working in teams."

Laing, which takes on 100 graduates in building, civil engineering and quantity surveying each year, began to look for arts graduates in 1986. "We were looking for people to help with the general management of our smaller businesses," says Kispeth Swain the firm's management development manager. "But some have moved into more mainstream areas."

What she means is that some arts graduates are now taking over jobs normally done by those with "proper" qualifications. But some who have spent five years gaining a BSc in building resent the unqualified newcomer and it may still prove difficult for generalists to get to the top.

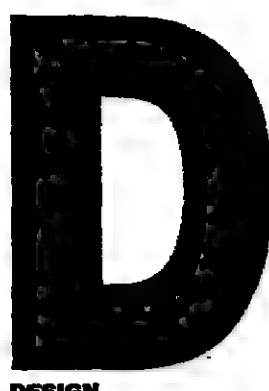
The first profession to try to overcome this barrier is quantity surveying, which blends accountancy, law and technical expertise. Quantity surveyors can work either for a builder, helping to manage the project's finances, or for a firm of private quantity surveyors who advise clients.

Envious of the accountants who have long embraced the arts graduate, the QS profession has now provided a small bridge to allow some degree holders to cross over into the profession.

At Reading University a new two-year MSc course starts in December which will allow graduates to become members of the Royal Institution of Chartered Surveyors. It is hoped that between 15 and 20 students, sponsored by big contractors or QS practices, will take the part-time course. This will consist of eight one-week block courses over two years.

Further information: contact firms individually.

Peter Bill



## DESIGN

### Something of a hit and miss affair

THE CREATIVE ambition of young furniture makers is usually on a back burner during the first years after college.

It can be difficult to get jobs, and in the past British manufacturers have been criticised for failing to tap into the valuable talent on offer from the country's many fine craft furniture graduates, who leave college with skills in both the designing and making of furniture.

The furniture industry is vast, ranging from large manufacturers to small craft workshops run by individuals.

For those graduating in fine craft, the first choice will usually be a small workshop where, although they are unlikely to design much of their own work, they will be working on one-off private and small-scale commercial commissions.

But with the absence of any formal graduate recruitment schemes for young furniture makers, the first years are nearly always something of a hit-and-miss affair. Dedication and the willingness to live on the breadline for a few years seem to be prerequisites for getting on in the fine craft world.

Claire Anthony, a graduate from Bucks CFE, complains about the attitudes of employers. "People forget we have got three years' experience in a workshop," she says. "I telephoned one furniture firm looking for a job, and they told me that they had taken on their quota of YTS trainees that year!"

"The biggest problem for graduates when they leave college is working to a commercial orientation," says Mr Ian Barker, who is responsible for all art, design, furniture and timber courses at the Buckinghamshire College of Further Education, in High Wycombe.

Mr Philip Hussey, who is course leader at Bucks for the BA (Hons) in furniture design and craftsmanship agrees that students have got to stick to furniture-making for the love of it rather than for the money.

His advice was clearly borne out by Adrian Jacobs, 24, who graduated in 1987 with an HND in furniture, design and craft. He has set up on his own and is paying himself a mere £200 a month. Immediately after graduating, he went to work for a small design company. After about eight months he left to work for a larger operation - Techfurniture, which makes office and hotel furniture - to gain business experience.

Over two years he was involved in most areas of the firm's business gaining experience on both the design and management sides. He was earning about £18,000 and managed to save up enough money - £2,000 - to set up his own workshop.

His firm, Adrian Jacobs Furniture, based in a small workshop in a sawmill just outside Great Yarmouth, employs only one person - Adrian himself. He describes his output as "high quality furniture aimed at the corporate market". Funding came entirely from his own savings, and all the profit that he makes goes back into buying more sophisticated machinery.

Adrian's is a success story. His advice to fellow graduates is to spend time obtaining a sound knowledge of the furniture market before

attempting to go it alone.

Rad Segrt and Barnaby Scott run a small workshop in Oxfordshire called Waywood. Neither has degrees in fine craft. Rad graduated in botany, and Barnaby in forestry and agriculture. They employ one graduate from Bucks CFE and pay him £190 a week - more than they pay themselves.

"We have had a hard time building up a reputation," said Rad. "The hours are long - 10-12 hours a day, six days a week."

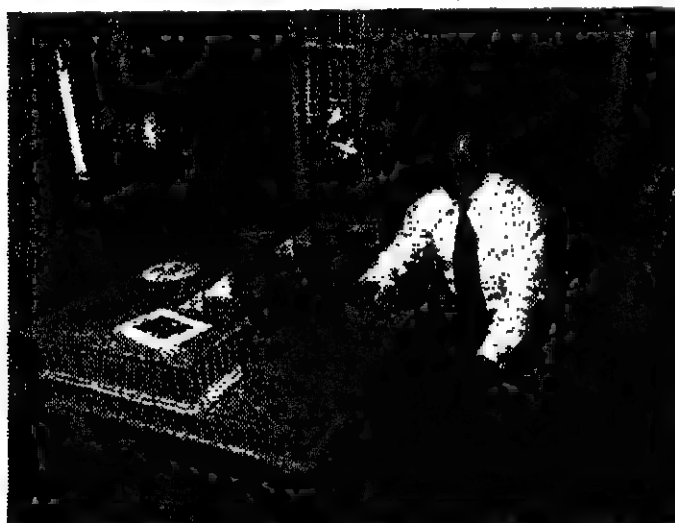
Mr Martin Grierson, a designer craftsman, who runs his own workshop in West London, takes on three or four graduates a year. They assist him in his one-off commissions, all of which he designs himself. For the first three months they are paid £180 a month, going up to £200 a month, with yearly increases after that.

His advice to graduates looking for jobs is to stay in touch with their careers services. He has no trouble recruiting people in July and August, but often cannot find people in January.

For those hoping to work for larger firms such as G-Plan, Excel Furniture and Jayco, the future is rosier. According to Ian Barker, the furniture industry is increasingly having to take in graduates for middle and senior managerial posts.

Further information: graduates would be best advised to seek advice from their training colleges.

Emma Tucker



## Graduates

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POWERGEN

## E

ECONOMICS  
ELECTRONICS  
ENERGY  
ENGINEERING  
ENVIRONMENT

## ECONOMICS

### Heaven is a spell in the Treasury

STEPHEN BELL, an economist at a London-based merchant bank, is a walking, talking advertisement for economics as a career. On television, where he appears frequently, he looks as relaxed as his suits look sharp.

There are three big groups of professional economists. All of them, it seems, have at least one degree in economics. Some collect further degrees and doctorates for fun, and enjoy reading calculus in bed. These are the academics; then there are the public sector economists working for the Government Economic Service (GES); and the City economists - of whom Mr Bell is a benchmark specimen.

A passion for the dismal science propelled him through a series of examinations and two degrees. By the age of 20 he had finished at the London School of Economics (where else?). At 21 he joined the Treasury - where he started a 10-year career muddying the waters of government policy by toying with capital flows and exchange rates.

Ten years in the Treasury is a long time. After that, he was ready to follow the well-worn path of most of his colleagues in economics, which proceeds from good degree, via the Treasury, to the City. Not only are City firms paying for the expertise gathered by Treasury- or Bank of England-trained economists; they are also paying for their connections and their insights into the way policy is developed. Mr Bell, for instance, can still call on former colleagues in the Treasury to ask pointed questions on a private basis.

about policy. Securities firms are willing to pay a lot of money for those kind of connections. Indeed, when a high-ranking ex-Treasury officer is hired by a Japanese securities firm, they say that he has "descended from heaven".

This well-worn path is tracked primarily for financial considerations. However, in Mr Bell's case when he joined in 1974 at £1,994 a year "nobody got more money". Friends at stockbrokers overtook him only by earning big bonuses.

But now, the City - especially since the Government privatisation programme so increased the Square Mile's capacity for economists - offers salaries considerably more than those offered by the public sector.

Like academic economists, such as Mr Simon Taylor, who teaches at St Catherine's College, Cambridge, for about £13,000 a year, those on the Treasury payroll know the meaning of thrift.

An economic assistant straight out of university, (81 out of the total 421 in the GES, who work in departments ranging from Agriculture, Fisheries and Food to the Welsh Office), starts on £11,117 plus £1,750 London weighting. It takes a few years to climb the pay scale to performance-related pay levels above about £20,000, the average starting salary in the City.

Mr Taylor regrets that a 26-year-old with a first class degree, teaching economics at a world-class university, gets paid only £1,000 more than the average starting salary for a 21-year-old graduate with a second-class honours degree - £11,375. He regrets it so much that, like Mr Bell, he, too, is heading into the private sector. He calls it "responding to market forces".

The reading and research of the academic life counted for much with Simon Taylor. But there is now an undersupply of academic economists, who, like the civil servants, have been lured into the City, or quangoes such as the Institute of Fiscal Studies.

It is becoming harder to fill teaching posts in the universities; while pay is set nationally for academics, the acquisition of a PhD in something markets-related can greatly increase the marketability of an economics graduate.

However, it looks as if the path from the public sector will not be so well beaten in the 1990s. Wastage from the Treasury, which takes the highest complement of applicants to the GES, has been high, but is steady. In 1987, 28 economists resigned from the GES' total of about 400; in 1988, during the City's terrific expansion, 45 did, at widely-varying levels. Last year, 22 per cent of its staff left. But this year and this decade, retention levels are set to be much higher, according to the Treasury officials. This is because the banks are making heavy cutbacks in the amount of ancillary staff they are taking on, especially the Midland, Lloyds and Standard Chartered. Economics departments are a fairly new phenomenon, and so can be the first to go on the last-in-first-out basis.

A more underlying reason for the Treasury's optimism is the fact that unlike the City, the Treasury regards itself as offering the serious economist a serious chance to determine economic policy within a proper "career structure". City economists, officials have said, are nothing more than "pseudo-journalists".

The Treasury is a "wonderful place to work". It would be difficult to find a City economist, loyal and well-remunerated as he is, to say the same about his securities house. The Treasury's rarefied atmosphere, its ethos of putting intelligence and ideas first and foremost, are treasured by its employees. Furthermore, they cannot but be aware of their marketability in the City when they get tired of shaping public policy.

What is crystal-clear in the economics world is that a passion for the subject as strong as Mr Bell's is as essential a requirement as an economics degree.

Further information: The Economist Group Management Unit (EGMU), HM Treasury, Parliament Street, London SW1P 3AG. Telephone: 071 270 5053.





ELECTRONICS

Plenty of scope for chip makers

THIS might not seem the best moment to be looking for a job in the UK electronics industry.

Of the great names of UK electronics, Plessey has been swallowed up by the General Electric Company of the UK and Siemens of West Germany. Ferranti is reeling under the impact of a fraud allegedly perpetrated against it by an American subsidiary, ICL. Britain's flagship computer manufacturer, has been taken over by Fujitsu of Japan.

The demise of British-owned companies might be a dent to national pride. But the decision by substantial numbers of American and Japanese companies to use the UK as their European manufacturing base means that British graduates still have the opportunity to work for world-class companies.

Motorola is a US-owned manufacturer of microchips, but Mr Barry Waite, general manager of its European semiconductor group, insists it is as much at home in the UK and Europe as any home-grown company. He was born in Britain, as was the manager of the Motorola semiconductor plant at East Kilbride in Scotland.

Motorola takes on up to 25 university and polytechnic graduates each year to work at East Kilbride, one of the few European factories producing chips such as the dynamic random access memory (DRAM), the basic building block of the semiconductor industry. The company looks for degrees in electronics, physics and chemistry, but also takes finance and business studies graduates.

Anyone who wants a comprehensive education in chip-making, however, might want to think about working for Fujitsu. The Japanese company is building a new chip plant at Newton Aycliffe, County Durham. The plant will produce its first chips next autumn, so that the 1991 graduate entrants will be intimately involved in setting up its operating procedures.

Mr Albert Clark, Fujitsu's personnel consultant, argues that working at a new factory will offer substantial

advantages over joining an established manufacturer. "The difference when you come to a greenfield site is that you get the chance to learn the job in depth," Mr Clark says. "You're going to be writing the operating procedures, so you've got to get them right. That's the best sort of training ground."

Fujitsu took on 16 graduates in 1990 and expects to recruit more in 1991. It looks for students completing degrees in electrical, electronic and mechanical engineering and in physics. More important than the class of degree, says Mr Clark, is the project done during the degree. Some universities have clean room facilities, in which students can gain real experience of semiconductor manufacture. Fujitsu recruits attend a two-week induction programme at a hotel in Newton Aycliffe and then leave for a six-month training programme in Japan.

Not all Japanese employers offer a trip to Japan, and hardly any do so this early in a training programme. At least one company has been upset by the number of graduate entrants who were snapped up by other employers shortly after returning from Japan. Fujitsu's Mr Clark says although graduates interviewed were excited about the idea of working in Japan,

approaching. Six months is a long time to be away from families and partners, although the company says it is prepared to consider help for boyfriends and girlfriends who want to go along.

Consumer electronics manufacture in the UK is also dominated by Japanese-owned companies, several of which have an annual graduate intake.

Sony manufactures television sets at Bridgend near Cardiff. It is one of the companies responsible for turning Britain's trade deficit in colour TV sets into a surplus of \$58m last year.

Mr Michael Pugh, human resources manager, says Sony recruits about a dozen graduates each year to work at Bridgend. Television sets might once have been fairly low-tech products, but with screen images getting sharper and the number of microchips inside them increasing, this is no longer the case. The development of high-definition television is increasing the demand for technologically sophisticated graduates.

Matsushita, which manufactures television sets in Cardiff under the Panasonic brand name says it, too, intends to increase the number of graduates it takes on.

Finally, GEC, the largest British-owned electronics company, remains a huge employer of graduates. It and its associated companies provided training for nearly 3,000 graduates and sponsored students last year.

Further information: GEC's booklet of graduate vacancies, A World of Opportunity, available from GEC Educational Liaison, Freepost CV1 370, PO Box 55, Dunchurch, Rugby, Warwickshire CV21 5BR.

Michael Skapinker

PROFILE: SONY

Being British is no bar to promotion

MIKE McDONALD insists he does not have to bow to anyone at work. He does not begin the day with a rendition of the company song. Nor is he expected to take part in any communal exercises.

He confesses he does sometimes feel like a foreigner working for Sony, the Japanese electronics company, at their

manufacturing the front glass panel of the sets on the site. While British-owned electronics companies have beaten a steady retreat, UK-based Japanese employers have continued to expand.

Mr Saunders, who studied electronic engineering at Coventry Polytechnic, spent his first six months at Sony working in a variety of departments, from public relations to purchasing. He then spent another six months working in the test engineering department. At the end of his first year at Sony, his career will be reviewed. He expects to spend another year working in the same department.

Mr Saunders had previous experience of working for a foreign-owned company in the UK. He was on a sandwich course at his polytechnic, with a year of work experience between his first and third years. He spent the time in Coventry working for Peugeot, the French-owned car manufacturer.

He cites one important difference between working for Peugeot and for Sony. "In the car industry you could still see the differences between the managers and the workers that you don't see here," he says.

Mr Saunders has not yet had the opportunity to visit Japan, but most graduates working at Bridgend do get the chance at some stage. Mike McDonald spent a few months working in Sony's semiconductor division in Japan last year. He had previously spent six months learning Japanese at Bridgend. Doing so was voluntary - and he was given no opportunity to speak Japanese while he was in Japan. "English is the corporate language. When I was in Japan, they all wanted to practise their English. I've forgotten all my Japanese now."

Mr McDonald insists that being British is no bar to promotion at Sony. "The plant manager here is British. The managing director of Sony UK is British. There are Europeans on the board of Sony," he says.

Sony recruits throughout the UK, but it does expect its graduate entrants to have a commitment to South Wales. It recruits at the Welsh universities and polytechnics and looks for expatriate Welshmen elsewhere in the UK. Non-Welsh graduates should not, however, feel automatically excluded: there are employees at the plant from all over Britain, and the director of the Bridgend operation is English.

Michael Skapinker



Rolls-Royce's new Trent engine: engineers can be discerning about the company they choose

busy trying to graft a more commercial and market-oriented ethos on to its traditional emphasis on engineering excellence.

This is particularly true of National Power and PowerGen, the successors to the old Central Electricity Generating Board. They have had to set up commercial and marketing departments and are giving their managers special training for the private sector.

Even graduates in engineering and scientific areas are unlikely to remain untouched by the changes: both National Power and PowerGen are turning their power stations into profit centres and devolving responsibility to station managers.

Inevitably the changes in the nature of the organisation mean we're trying to beef up our commercial and financial areas," explains Ms Jackie Roberts, National Power's recruitment manager.

National Power took about 100 graduates this year, split roughly between technical and non-technical functions. Graduates are recruited to do specific jobs in areas such as accountancy, purchasing or engineering, but they are also given opportunities to study for professional qualifications and general management training. After two years, they opt either to stay in their specific function or to apply for a general management training programme.

Competition was fierce last year. With roughly 60 applicants for every place, National Power can afford to be choosy. "Generally we recruit those who have at least a 2.1, but we recognise there are opportunities for those with a lower grade," says Ms Roberts.

She admits the old CEBG used to look to the universities for most of its intake, but says National Power will increasingly recruit from the polytechnics, especially for technical disciplines.

Graduate starting salaries this year at National Power are in the £12,500 to £13,500 range. The company says the most successful graduates could hope to be on a salary of more than £22,000, managing a section of maybe 30 people, by their mid-20s.

PowerGen recruited about 30 graduates this year, split between technical and non-technical backgrounds, on starting salaries of £12,000-£13,000. Like National Power, they are recruited into specific jobs, although PowerGen says it intends to give each new graduate a development programme.

Very few graduates will work in London, so the industry could interest anyone determined to avoid the the capital. At National Power, most technical graduates will work either at a power station, or at the research labs in Leatherhead, Surrey, or at one of its administrative centres in Harrogate or Swindon. Most PowerGen recruits will work at a power station, at its research labs near Nottingham or at its HQ near Birmingham.

The 12 regional companies each recruit a few graduates. The Nottingham-based East Midlands Electricity, for example, recruited 10 graduates last year, mainly from colleges in its local area, on salaries ranging from £11,225 to £12,100. The Scottish companies offer similar opportunities: Scottish Power took about 30 graduates last year.

Some of the companies are aware of the need to overcome the industry's macho image. Jackie Roberts at National

non-technical jobs last year, although she bemoans a dearth of female candidates for engineering posts.

An industry in a state of flux might appeal to some new graduates, although a degree of uncertainty is the reverse side of the coin.

British Gas, privatised in 1984, has already been down this road, although some critics say that its monopoly status has allowed it to retain its bureaucratic, public sector ways. It recruits up to 300 graduates a year, with roughly a third going into engineering and research jobs and the rest into non-technical areas.

Graduate entrants, recruited on a minimum of £11,309 last year, work throughout Britain: British Gas divides its organisation into 12 regions and has four research stations. With about half of its

graduate intake female, the company has a good record on recruiting women. It also says that about a third of its intake is from polytechnics. So far, however, few graduates go into the most exciting areas of British Gas's activities: exploration, production, and overseas acquisitions.

And then there is what remains of the public sector. Nuclear Electric, responsible for running the nuclear power stations in England and Wales, expects to recruit about 70 graduates this year, while British Coal regularly takes about 50.

Further information: Electricity Association, 30 Millbank, London SW1; British Gas, 152 Grosvenor Rd, London SW1; British Coal, Grosvenor Place, London SW1.

David Thomas

ENGINEERING

You can afford to pick and choose

ENGINEERING graduates have had little trouble finding a job and there are few signs of the situation changing this year. Indeed, engineering companies have traditionally had to compete with City institutions and accountancy firms to attract the best candidates.

Engineers are numerate and good problem-solvers which makes them attractive employees in a range of disciplines. The City has often lured them away from the smokestacks with the promise of high salaries and rapid advancement.

In a field where graduates can often pick and choose, those sticking with engineering can afford to be very discerning about the sort of company they select. The decision is often dictated by the training programme offered by a company - which should lead to chartered status - and the career development programme.

The importance of the chartered qualification is increasing as the 1992 single market in the EC approaches since the title is likely to be the accepted professional requirement within Europe.

Graduates should look very carefully at the career advancement offered by employers. "Progression is extremely important," says Mr Jim Davidson, careers adviser at Bath University, which has a large number of engineering students. "Employers should think through very carefully what they are doing with young graduates, and move them around a bit as well as giving them responsibility."

Mr Davidson believes it is important for engineers to work in a stimulating environment where they can make use of the skills they have acquired at university. If they are not put to the best

use, many of these bright graduates will be lost to engineering.

The paucity of training offered young graduates in the UK is partly a reflection of the lower status accorded to engineers in the economy. On the continent, particularly in Germany, engineers can earn twice as much as they can in the UK and generally enjoy a much higher professional status. For this reason, German companies such as Siemens are beginning to recruit in the UK and could become more active in the run-up to 1992.

It is often large companies such as the multinational oil corporations based in the UK that offer the best deals for graduates in terms of training and variety of work. These firms also tend to pay higher starting salaries: they begin in the region of £14,000 against the norm for engineering graduates of £11,000 across the country.

Esso hires about 45 graduate engineers a year and would take more if it could find them. About half the company's intake are chemical engineers with most of the rest mechanical. The company pays a starting salary of just over £14,000, with all its graduates taking responsibility for a job and receiving on-the-job training.

Esso and the other oil companies are looking for management potential. For this reason, academic qualifications are taken as evidence of initiative. Good recruits move quickly through the ranks; Esso's chairman and two of its managing directors are chemical engineers who joined the company from the milk round.

British Aerospace's training programme is cited by many careers advisers as providing good opportunities for graduate advancement. The company rewards performance and some graduates have moved quickly through its ranks. Esso says about 65 per cent of its annual intake of some 1,100 graduates are in a range of disciplines including electrical, aeronautical, mechanical and production engineering. All graduates enter a two-year training

Continued on next page

Wellcome

GRADUATES

Not at all. In fact, you may be surprised to hear that we don't just depend on scientists to keep us at the forefront of the pharmaceutical industry. Graduates of all disciplines are helping us to improve the health of people worldwide as engineers, production managers, systems analysts, accountants, marketing specialists, personnel officers and, of course, scientists.

Whatever area you decide to join us in, though, you can be sure that the breadth of our activities will give you every opportunity to progress. Indeed, as one of our graduates, you'll follow a training and development course which will quickly enable you to make an effective contribution - for now and the future. We'll even assign you a mentor - an experienced member of your department who's always on hand with help and advice.

You'll need more than a degree, though, to impress us. Just as important are your personal qualities. Qualities such as enthusiasm, self-motivation and the ability to get on well with a wide range of people. In addition, you should be mobile - we have openings at all our UK sites located at Dartford, Beckenham, London, Berkhamstead and Crewe.

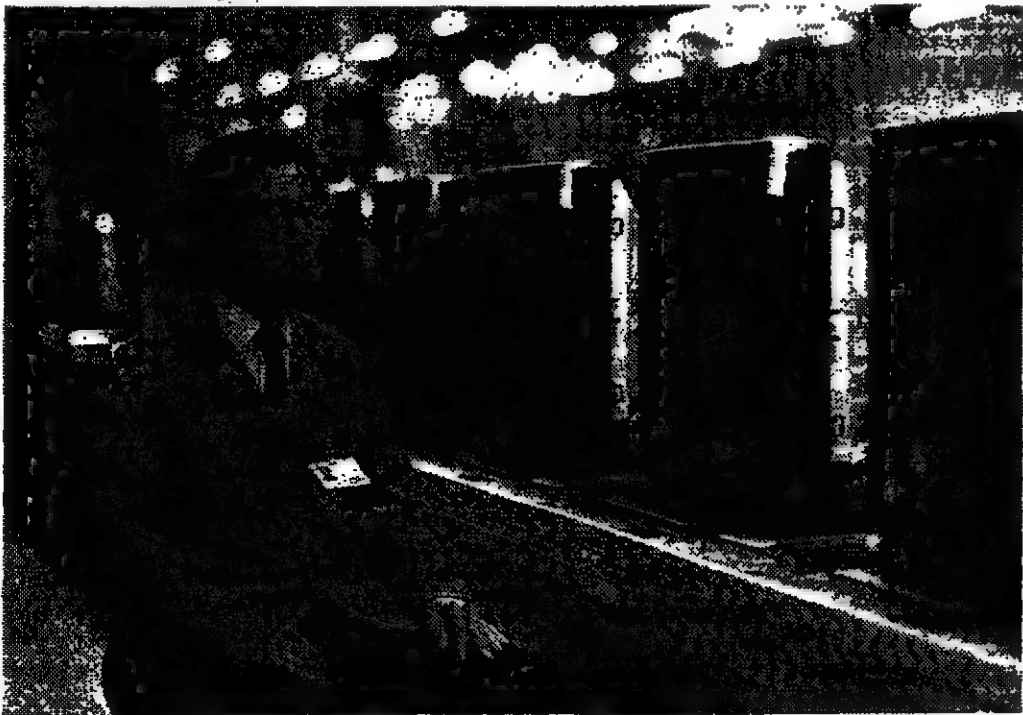
In return we offer an attractive starting salary and a range of big-company benefits including generous relocation expenses.

To find out exactly what we'll make of your degree please contact Graduate Development at The Wellcome Foundation Ltd., Temple Hill, Dartford, Kent DA1 5AH. Tel: (0322) 223488, ext. 1591.

Enhancing life ...



and now.



Sony production line: no bowing, no singing the company song, no communal exercises

ENERGY UTILITIES

Powerful challenges for livewires

STUDENTS who start working in Britain's electricity industry in a year's time will find a very different beast from that which exists now. By the summer of 1991, assuming no hiccups in the government's plans, most of Britain's power stations will have been privatised.

In England and Wales, 15 new private sector companies will have been created: 12 regional companies, responsible for supplying electricity in their localities; National Power and PowerGen, the two generating companies; and the National Grid Company, which will run the national transmission network. Scotland will boast two new private sector companies: Scottish Hydro-Electric, catering for the north of the country, and Scottish Power, its counterpart in the south.

Previously noted for its stability, the electricity industry is in the middle of

Mr McDonald joined Sony as a graduate recruit six years ago. Today, at the age of 37, he is responsible for the quality of all the components the company buys to make its TV sets. Given the stress that Japanese companies place on both quality and on the relationship with suppliers, his role is an important one, involving regular contact with the chief executives of managing directors of supplier companies all over Europe.

He gives two reasons for joining Sony. The first is that the company's name is so widely respected throughout the world. The second is that he knew the Japanese group was in the UK to stay.

Dale Saunders, 22, who joined Sony Bridgend in September last year, also cites security of employment as an advantage of working for the company. "I think Sony suits people who are looking for a long-term career," he says. "You just have to look around you to see the investment going into this place."

Sony Bridgend is the Japanese company's most advanced European television-manufacturing facility. Cathode ray tubes, the most important component



Continued from previous page  
period which is flexible  
according to their needs and  
experience. The company also  
offers additional courses in  
computer software and  
languages.

Graduates may be based at  
any of the company's plants  
across the country, and the  
starting salary is £10,850. BAE  
also offers some chance to  
work abroad.

One big advantage  
engineering companies offer  
over competing professions  
is that most jobs are not  
office-bound or located in  
London. "We can't compete  
with the City on salaries," says  
Mr Tom Bradbury, personnel  
manager at Davy McKee, "but  
we do offer an interesting life.  
Who wants to sit in a bank  
for the rest of their lives?"

Mr Davy takes about 100  
engineering graduates a year  
— half of whom are civil  
engineers — and tries to give  
them a broad training. Most  
of the company's big projects  
are abroad, and its graduate  
training plans often include  
work abroad. Graduates start  
on a salary of between  
£12,000 and £13,500.

British Steel employs up to  
75 engineering graduates, of  
whom about 40 are mechanical  
and 30 are electrical engineers.  
The company tries to give  
its graduates experience  
outside their own disciplines.  
A mechanical engineer would  
do some electrical work, for  
example. British Steel has a  
retention rate for  
engineers than for many of  
the other graduates it employs.  
The company says 60 per cent  
of its graduate engineers are  
still with it after five years.

Most firms are pushing  
strongly to attract women.  
However, women can have a  
hard time joining companies  
that have traditionally been  
dominated by middle-aged  
men, and should do research  
before making a decision. If  
in doubt, any graduate male  
or female should approach  
recent graduates at their  
selected company.  
Further information:  
Engineering Industry Training  
Board, PO Box 176, 54  
Lancaster Rd, Watford, WD1  
1JB; Esso Petroleum Co, Esso  
House, Epsom Way,  
Epsom, Surrey KT22  
7JX; Davy McKee, 15  
Portland Place, London W1A  
0D; British Steel, Head  
Office, 9 Albert Embankment,  
London SE1.

Deborah Hargreaves

## At the cutting edge of technology

MANUFACTURING systems  
engineering — today's term  
for production engineering —  
may sound arcane, but is  
actually at the cutting edge  
of new technology.  
What makes manufacturing  
engineering so interesting is  
that professionals study the  
entire production process. This

contrasts with the role of say,  
mechanical engineers, who  
usually concentrate on a single  
aspect of production.

The discipline leads the  
drive to cut costs, raise quality  
and link design with the  
shopfloor, and is probably the  
engineering faculty most  
integrated with other  
commercial functions. For this  
reason, it can offer a rewarding  
and challenging career for  
graduates who find a  
forward-looking company.

The problem is that  
manufacturing engineering is  
ignored by many — even  
large — UK companies which  
are dominated by managers  
steeped in outdated production  
strategies. Although  
manufacturing systems  
engineers are in strong  
demand, many companies do  
not allow them to fully use  
their skills.

Since there is so much  
demand for manufacturing  
engineers, graduates can afford  
to be discerning about the  
company they choose and  
should carefully research the  
company's approach to  
systems engineering before  
applying.

Manufacturing engineering  
is a discipline that has  
attracted quite a high  
proportion of female students,  
and since many engineering  
companies are making a bid  
to attract more women, female  
graduates in this area are in  
a particularly strong position.

Professor Neil Burnes, who  
divides his time between  
Leicester University and Davy  
McKee, says that, surprisingly,  
many of the smaller  
engineering companies can  
offer some of the most  
challenging opportunities to  
graduates. If they have  
embarked on a recent overhaul  
of their production technology,  
smaller companies can offer  
a graduate the chance to gain  
hands-on experience of a range  
of different fields at an exciting  
time for the company.  
Graduates should find out as  
much as possible about the  
company to which they intend  
to apply, and how dynamic  
the current management is,  
since the company's outlook  
can change quickly from one  
regime to the next.

Lucas Industries is generally  
regarded as being at the  
forefront of manufacturing  
systems engineering since one  
of its directors, Dr John  
Parnaby, as head of the  
Institute of Production  
Engineers, has been a leading  
light in developing the  
discipline.

Lucas takes around 100  
graduates each year, divided  
roughly between  
manufacturing systems, and  
mechanical and electrical  
engineering. Most start on a  
salary of £11,000 on the  
company's graduate trainee  
scheme, which takes 12-18  
months and provides  
individual plans for graduates  
with a substantive job offered  
at the end.

A company renowned for  
the high standard of its  
training scheme is the  
diversified engineering group  
GKN, which will take 87  
graduates this year, about  
two-thirds of whom will be  
engineers. The bulk of the

mechanical and production  
engineers recruited by GKN  
will go to the company's  
automotive graduate  
development scheme, which  
is co-ordinated by its research  
and development unit at  
Wolverhampton. This scheme  
co-ordinates sponsorship for  
undergraduates as well as a  
formal two-year postgraduate  
course.

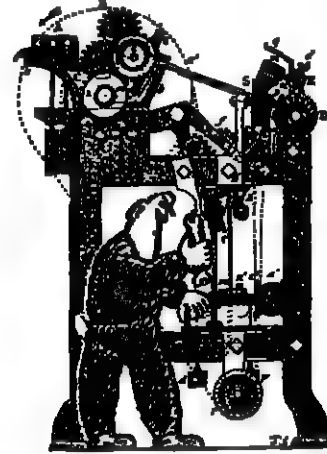
The course allocates  
graduates to project-based  
assignments lasting three to  
six months with at least one  
project abroad. After that,  
some graduates are invited  
to take part in the third phase  
of the scheme, which moves  
them into two or more jobs  
over four years, so that by the  
age of 30, graduates will be  
offered upper or middle  
management positions. The  
starting salary is £12,000 rising  
to £12,500 for a master's degree  
or relevant industrial  
experience.

Deborah Hargreaves

## Designs on big, greasy machines

MECHANICAL engineering  
is the gritty end of the  
profession. Graduates  
considering it should like big  
machines and get a buzz out  
of providing a link in the  
infrastructure of a production  
plant.

Although the sector in the  
UK has shrunk, some  
companies are still at the  
forefront of industrial design  
or are important niche  
suppliers.



Many graduates who choose  
mechanical engineering will  
enjoy spending their days  
covered in grease and working  
out production problems.

But it is not all about  
metal-bashing. Mechanical  
engineers can progress  
through the management of  
a company to a supervisory  
role. At the same time, there  
are an increasing number of  
opportunities for mechanical  
engineers in the computer and  
design departments.

However, be careful of  
committing yourself to some  
of the smaller engineering  
companies where production  
plant can be antiquated and  
management dominated by

old-style production ideals.  
Do research on working  
conditions — find out whether  
your skills will be employed  
— and whether you will be  
part of the firm's corporate  
strategy.

Perkins, one of the world's  
leading diesel engine  
manufacturers, is looking for  
five mechanical engineers this  
year, but is having difficulties  
finding the right graduates.  
The company says it is looking  
for a commitment to diesel  
engine design and would  
rather be empty-handed than  
lower its standards.

It hopes to work closely with  
universities because it believes  
courses do not always produce  
the qualities in graduates it  
requires.  
Sponsorship is a route  
followed by many companies  
to ensure the right intake of  
high-calibre engineering  
graduates. As well as receiving  
financial support, sponsored  
students usually gain work  
experience at the company  
during holidays and are often  
offered a job on graduation.

Careers advisers caution  
companies to make the most  
of student employees during  
their vacations since graduates  
will often shy away from a  
sponsor if they believe their  
talents were not best used.

Ford has proved one of the  
most popular companies for  
mechanical engineers in the  
past, although it is  
experiencing difficulties in  
finding 70 graduate engineers  
this year. Ford offers a good  
starting point for graduates  
who will become involved in  
the design and testing of car  
components or process and  
lay-out engineering on the  
manufacturing side.

The company pays a starting  
salary of £13,052 for graduates  
with no experience, but those  
who have previously worked  
at the company can command  
a salary of £14,348. In its choice  
of graduates, Ford is looking  
for those who have displayed  
team-work or an ability to lead  
and influence people. "We  
want them to take on  
supervisory and management  
jobs fairly quickly," says a  
recruitment officer. "We  
are not recruiting graduates  
to sit at the drawing board."

British Steel, which pays  
a starting salary of around  
£11,000 to graduate engineers,  
says it will move mechanical  
engineers around its five large  
integrated plants in South  
Wales, Scunthorpe, Teesside  
and Scotland to give them as  
much experience as possible.

In their first two years at  
British Steel, graduates will  
gain knowledge of related  
disciplines learning financial,  
commercial and metallurgical  
aspects of the job before  
specialising in a particular  
subject. BSC's training aims  
to achieve chartered status  
for its engineers by the age  
of 30.

At Esso, mechanical  
engineers will be drafted into  
plant technical services at one  
of its big refineries. There they  
will help run the plant,  
checking day-to-day  
engineering problems and  
modifying technical aspects  
of the equipment.

Esso offers on-the-job  
training and will make



Join the environmentalists and you could grab the headlines or see yourself on television prime time.

available any training courses  
required by the employee, but  
has no structured training  
course.

Deborah Hargreaves

## A ticket to the wide world of mining

TIME was when the early  
career path of a UK mining  
engineering graduate was well  
signposted. The vast majority  
would make their way to South  
Africa, while most of the rest  
would go to British Coal.

The contraction at British  
Coal in recent years has been  
more than compensated for  
by demand for graduates from  
the buoyant quarrying  
industry — which moves much  
more material in a year than  
the national coal company.

The Channel tunnel builders,  
Transmanche, have also been  
snapping up young mining  
engineering graduates, but  
often on relatively short-term  
contracts.

The South African industry  
still tries very hard to recruit  
UK male mining engineering  
graduates — women are barred  
by law from working  
underground there. Two of  
the leading mining houses,  
JCI (Johannesburg  
Consolidated Investments) and  
Gencor (General Union  
Corporation) offer two- or  
three-year contracts. The  
Anglo American Corporation  
and Gold Fields of South Africa  
prefer to offer permanent jobs,  
but as part of the deal the  
graduate agrees to stay two  
years at least.

South African companies  
offer financial assistance to  
settle in, free loans and other  
incentives but no return air  
ticket. Training covers a wide  
range of mining methods and  
skills and some South African  
mines are the world's deepest.  
Pay is about £40,000 a year  
which roughly translates into  
£10,000 — and that provides  
a very respectable standard  
of living in South Africa.  
However, it is not just politics  
which keeps the industry  
desperately short of graduate  
mining engineers. Up to  
£30,000 can be taken out of  
the country at the more  
favourable commercial rate,  
but the rest has to be in the  
form of financial bonds — and  
these do not buy many pounds  
or dollars.

In the UK, new mining  
engineering graduates can  
expect to be offered about  
£10,000 a year, although sums  
of up to £14,000 or even £15,000  
are not unheard of.  
Although it is a  
highly-specialised degree,  
mining engineering graduates  
are still likely to be offered  
opportunities by companies  
and organisations outside the  
industry. In the past two years,  
for example, some Royal  
School of Mines graduates  
have moved directly into  
accountancy, journalism,  
commodity broking and  
industrial marketing.

However, assuming that  
most people who take a mining  
engineering degree course wish  
to stay in the industry, what  
are their prospects?  
There is no shortage of job  
opportunities for graduates  
in the UK or South Africa.  
North America is more or less  
closed to the new graduate  
by government rules on  
employment of foreigners,  
unless he or she, or the  
prospective employer, can  
prove that the graduate  
possesses some special skill  
not available locally.  
Australia recently changed  
its rules so that foreign  
graduates cannot be employed  
until all domestic graduates  
have found jobs in their chosen  
field. In effect, this delays

by the Australian mining  
industry from the English  
summer until Christmas.

Some graduates, with an  
eye to improving career  
prospects, will aim to develop  
specialist skills to make them  
even more attractive to a  
would-be employer. These may  
include skills in rock  
mechanics, or reserve  
estimating or even an MBA  
(Master of Business  
Administration) course.

Typically, after graduation  
a mining engineer feels only  
half-trained so moves on to  
two years of post-graduate  
training with a company. Then  
comes two or three years where  
he or she takes on increasing  
responsibilities and probably  
gains a mine manager's  
certificate by 30. The next step  
is to acquire chartered or  
professional engineer status.

Either of these provides a  
ticket to a variety of jobs  
throughout the global mining  
industry because they are  
proof that the engineer has  
not only been properly trained,  
but also that he or she can  
handle responsibility.

The mining engineer can  
choose to stay in the UK but  
also has a wide choice of  
opportunities around the  
world, such as gold-mining  
on an exotic island in Papua  
New Guinea; winning copper  
from the Andes in Chile;  
mining in the heat of the  
Western Australian desert or  
in the deep cold of Alaska.  
Further information: The  
Institution of Mining and  
Metallurgy, 44 Portland Place,  
London W1N 4BB

Ken Gooding

## UK pay not in line

THE UK has traditionally  
undervalued its engineers. In  
the run-up to the EC single  
market in 1992, it will become  
even harder for UK firms to  
attract high-calibre engineers  
unless they pay competitive  
salaries.

Some German companies  
are already taking professors  
on trips around Germany as  
part of thinly-disguised  
recruitment drives.

The top layer of large  
German engineering  
companies — Linag, the  
plantmaker and diversified  
engineering firm; Hoechst, the  
chemicals and pharmaceuticals  
firm; and Thyssen and Krupp,  
the steel, engineering and  
plantmakers — pay a graduate  
straight from university a  
starting salary of DM65,000.  
This can be raised to DM70,000  
after six months if the  
graduate passes additional  
tests, and can include a  
performance bonus of DM2,000  
a year.

Graduates from technical  
college command a salary of  
DM50,000, which can be raised  
to DM62,000 after half a year.

With close to DM3 to the  
pound, these salaries can  
appear very attractive to a UK  
graduate faced with the  
prospect of earning £11,000 a  
year at the vast majority of  
UK engineering firms. Direct  
comparisons, however, can  
sometimes be misleading, since  
the cost of living is higher in  
parts of Germany, and tax  
rates can also be higher.

The rate of income tax paid  
in Germany varies from a top  
rate of 53 per cent to a low of  
19 per cent, compared with  
40 per cent and 26 per cent in  
the UK. However, given these  
provisions, engineers in  
Germany do enjoy a higher  
status than in the UK.

Companies in the UK which  
pay a higher rate than the  
norm are the large  
multinational firms such as  
the oil companies: BP, Shell  
and Esso; and Ford, where  
graduates can earn a starting  
salary of £14,000.

## ENVIRONMENT

## Keyed up for down to earth issues

THE huge growth of public  
interest in green issues in the  
past few years has led many  
graduates to seek an  
environmental career. Job  
opportunities in campaigning  
organisations and  
environmental charities such  
as Friends of the Earth and  
Worldwide Fund for Nature,  
however, are very limited.

There is more scope for  
finding related jobs in  
commerce and industry,  
although many of these will  
not be devoted as purely to  
the environment as those in  
the non-profit sector. An  
idealist who is determined to  
fight "on the side of the  
angels" may be reluctant to  
provide environmental  
arguments why a development  
should go ahead — with the  
minimum environmental  
impact — instead of  
campaigning to stop it.

Even so, the growth in the  
number and range of  
employment opportunities has  
not kept pace with the growth  
of student interest. The  
Association of Graduate  
Careers Advisory Services says  
the environment is one of the  
hardest of all areas to enter.

Biologists tend to be  
particularly keen on  
environmental work — and  
the field is therefore especially  
competitive and difficult for  
them to enter. There are far  
fewer applicants for jobs  
requiring specialist knowledge  
of physics, chemistry,  
engineering or computing.

Computers play a vital role  
in environmental work. Any  
attempt to predict or follow  
the movement of pollutants  
in rivers, oceans or the  
atmosphere requires  
sophisticated computer  
modelling, and companies with  
environmentally-sensitive  
operations are building up  
large computer databases to  
hold all the information.

People with qualifications  
or experience in computing  
and related subjects are  
probably more in demand by  
environmental employers than  
any other graduates. For  
anyone interested in technical  
challenges, environmental  
projects present an excellent  
opportunity to "stretch  
computer technology to its  
limits", says Mr Duncan  
Mackinder, head of computer  
services at the World  
Conservation Monitoring  
Centre in Cambridge. One  
particular challenge is to  
combine geographical  
information (computerised  
mapping) with text and  
mathematical data.

Because the environmental  
field has grown so fast, many  
of the occupations are new,  
the range of activities are not  
clearly defined and it is  
impossible to give any general  
guidelines about salary levels  
or conditions of service.

"There is still no career  
progression in relation to the  
environment," says Mr Geoff  
Lane, deputy head of the  
Confederation of British  
Industry. "I have no idea what  
my next step will be from here.  
At the CBI I'm dealing 100 per  
cent with environmental  
issues. But there are not many  
jobs like that in industry."

The chemical and energy  
industries offer the largest  
number of environmental jobs.  
Multinational oil and chemical  
companies, for example, have  
central environmental units  
to provide support services  
for their worldwide operations.  
They may also run specialised  
environmental laboratories

"There are many  
opportunities for the idealistic  
graduate to do something  
practical to protect the  
environment, by helping to  
develop new products, new  
processes, new methods of  
waste disposal," says Mr David  
Culpin, business development  
director of the Chemical  
Industries Association. "Many  
chemical companies offer  
serious and committed work  
in this direction."

An alternative to working  
directly for a manufacturer  
is to find a job with a  
consultancy. Specialised  
environmental consultancies  
are growing rapidly —  
particularly in pollution  
control and waste disposal —  
and at the same time some of  
the established management  
consultants are building up  
environmental practices.

These jobs tend to offer  
higher salaries than  
manufacturing employers and  
competition for them is fierce.  
Mr Lane of the CBI says that  
graduates who want to work  
as consultants might be better  
placed if they took a  
postgraduate course such as  
the MSc in environmental  
technology at Imperial College,  
London, and the University  
of Manchester Institute of  
Science and Technology.

There are also a few  
environmentally-oriented jobs  
in the City and financial  
services, for example with  
insurance companies that issue  
policies to cover  
manufacturers against  
pollution risk.  
Further information: Graduate  
Careers Information Booklet  
Environmental Planning,  
Conservation and  
Management, available from  
Central Services Unit,  
Crawford House, Precinct  
Centre, Manchester M13 9EP.  
Environmental jobs are  
advertised in New Scientist  
and Nature.

Clive Cookson

## The sun is shining for green workers

ENVIRONMENTAL pressure  
groups have benefited from  
a surge in membership and  
income as a result of the  
explosion of interest in green  
issues over the past two years.

As a result, the green  
movement offers satisfying  
career opportunities to young  
people. However, jobs are  
much sought after and it is  
not unusual for organisations  
to receive 150 applications  
when they advertise for a  
single campaign assistant or  
senior researcher.

Generally, the organisations  
require degrees — an MSc or  
BSc — in subjects such as  
botany, zoology, ecology or  
chemistry. The catch is that  
they also prefer applicants to  
have had about two years'  
experience in some relevant  
employment. Even so, students  
must be aware that the really  
interesting jobs with  
environmental organisations  
are largely off limits to new  
graduates.

Only if you have generously  
volunteered your time to work  
on environmental projects will  
you have an edge over the  
hordes of your fellows chasing  
the same challenging job.  
Some gain volunteer  
experience by doing  
conservation work for county  
trusts which are run by the  
Royal Society for Nature  
Conservation. Others might  
do research on short-term  
contracts for environmental  
organisations. Commercial  
work is sometimes available  
— one marine conservationist  
had previous experience with  
BP on oil monitoring.  
However, it is not

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highly competitive pensions and life assurance market. A £5 billion  
company with new business three times the level of 5 years ago.

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in general management, accounting, actuarial work, investment or  
information systems, we can meet them.

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of it. There's also an excellent salary and benefits package which  
includes a mortgage subsidy scheme.

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The Equitable Life Assurance Society, Watton Street, Aylesbury,  
Bucks HP21 7QW. Tel: (0296) 384575.

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MANAGEMENT CHARTER INITIATIVE



The Equitable Life

هكذا صنع القوم



Continued from previous page  
uncommon for graduates to join the staff in a minor administrative job and later move to the campaigning side. These jobs will clearly not pay as much as comparable jobs in industry, and you take them on with no guarantee of moving across into a campaigning slot.

If you are not independently wealthy, or lack financially supportive parents, look for volunteer work which carries a stipend.

Typically, green organisations do not have structured graduate entry programmes. Indeed, several were hard pressed to even describe what it is they are looking for in a recruit.

Friends of the Earth takes on young people as volunteers receiving expenses and meals allowance. They do filing and documentation and are responsible for short-term research projects. After several months they could be taken on as campaign assistants.

Presentational ability is essential. Campaigners must be articulate people who can give an interview at short notice and hold their own against hostile experts from government or industry. Writing skills are also essential.

Management skills and the ability to co-operate are required. Some organisations hold training courses, and employees are sent away to refresh their knowledge on specialised subjects.

The critical test is commitment to preservation of the environment," says Andrew Lees, campaigns co-ordinator of FoE.

The salary range for a campaign assistant at FoE is £12,000 to £14,000; for an assistant campaigner £13,500 to £15,500; and for a campaigner - the head of a team - £17,000 to £19,000.

Greenpeace is a high-profile movement which specialises in anti-pollution demonstrations aimed at

assistants - albeit at low salaries - and moved on to campaigning.

They can work up to the post of senior campaigner earning £13,500 to £18,000.

The Royal Society for the Protection of Birds employs 300 at its headquarters in Sandy, Bedfordshire, and a further 200 in the regions.

Conservation and research into bird life forms a large part of its work.

A conservation officer, who has the task of preserving bird habitats, would earn £13,000 to £19,000 a year. Previous experience is required for this, but assistant conservation officers are now being appointed and a new graduate might be considered.

Further information: Who's Who in the Environment available free from the Environment Council, 80 York Way, London, N1 9AG. The first issue is out of print but a reprint is being made.

John Hunt  
PROFILE: ICI

## Green issues are growing issues

THE environmental performance of companies such as ICI will play a much greater role in recruitment and career planning in future, Mr Richard Freeman, chief economist of ICI, Britain's largest chemical manufacturer, told a recent conference on the "green consumer".

Certainly, ICI's public policy statements now emphasise the company's commitment to improving its environmental

■ Taking part in ICI's £100m programme to develop alternatives to chlorofluorocarbons (CFCs), which are being phased out because they damage the ozone layer. This project, based at Runcorn, Cheshire, will soon move on from R & D to full-scale production, starting with KLEA 134a, a CFC substitute scheduled for commercial launch in 1991.

There are therefore opportunities not only for research chemists but also in engineering and production, sales and marketing.

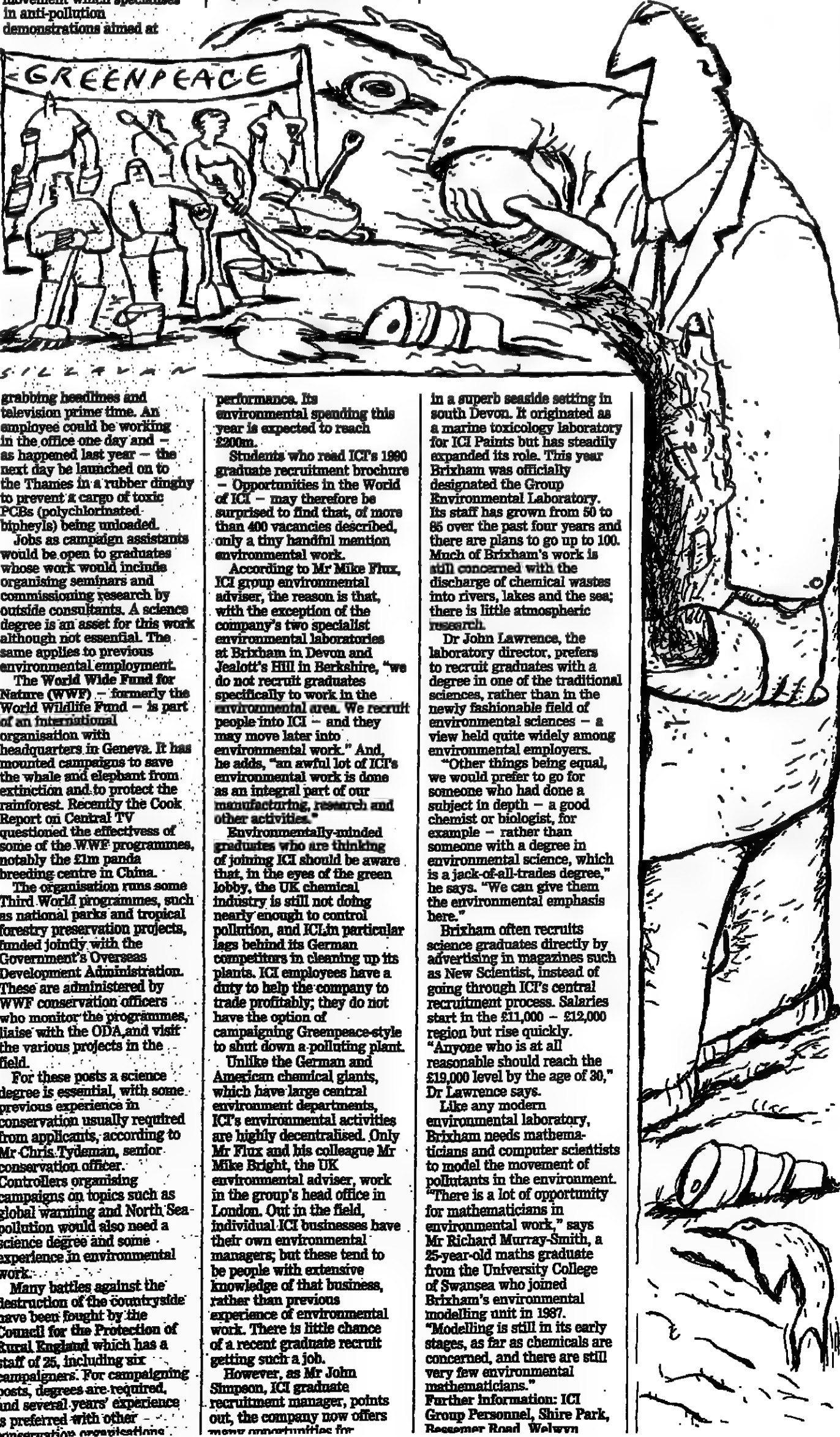
■ Helping the main ICI plants to reduce their discharges into the local rivers and seas. The chemical works on Teesside, Merseyside and the Firth of Forth are spending tens of millions of pounds each on anti-pollution projects. Again, graduates from many different disciplines may be able to take part in these.

ICI's specialist environment laboratories are in idyllic locations far away from the company's sources of manufacturing pollution.

Jealott's Hill Research Station in rural Berkshire near Bracknell is the R & D centre for agrochemicals. It has 160 people working in its environmental sciences department, investigating the effect of ICI pesticides - those on the market and those still being developed - on the environment.

Jealott's Hill has jobs for chemistry graduates, developing new pesticides that break down more quickly and leave less residue than today's, and analysing pesticide residues in plants, animals and the environment. Their work is backed up by biologists, who study the effect of agrochemicals on wildlife.

The Brixham laboratory is



grabbing headlines and television prime time. An employer could be working in the office one day and as happened last year - the next day be launched on to the Thames in a rubber dinghy to prevent a cargo of toxic PCBs (polychlorinated biphenyls) being unloaded.

Jobs as campaign assistants would be open to graduates whose work would include organising seminars and commissioning research by outside consultants. A science degree is an asset for this work although not essential. The same applies to previous environmental employment.

The World Wide Fund for Nature (WWF) - formerly the World Wildlife Fund - is part of an international organisation with headquarters in Geneva. It has mounted campaigns to save the whale and elephant from extinction and to protect the rainforest. Recently the Cook Report on Central TV questioned the effectiveness of some of the WWF programmes, notably the £1m panda breeding centre in China.

The organisation runs some Third World programmes, such as national parks and tropical forestry preservation projects, funded jointly with the Government's Overseas Development Administration. These are administered by WWF conservation officers who monitor the programmes, liaise with the ODA and visit the various projects in the field.

For these posts a science degree is essential, with some previous experience in conservation usually required from applicants, according to Mr Chris Tyden, senior conservation officer. Controllers organising campaigns on topics such as global warming and North Sea pollution would also need a science degree and some experience in environmental work.

Many battles against the destruction of the countryside have been fought by the Council for the Protection of Rural England which has a staff of 25, including six campaigners. For campaigning posts, degrees are required, and several years' experience is preferred with other

performance. Its environmental spending this year is expected to reach £200m.

Students who read ICI's 1990 graduate recruitment brochure - Opportunities in the World of ICI - may therefore be surprised to find that, of more than 400 vacancies described, only a tiny handful mention environmental work.

According to Mr Mike Flux, ICI group environmental adviser, the reason is that, with the exception of the company's two specialist environmental laboratories at Brixham in Devon and Jealott's Hill in Berkshire, "we do not recruit graduates specifically to work in the environmental field. We recruit people into ICI - and they may move later into environmental work." And, he adds, "an awful lot of ICI's environmental work is done as an integral part of our manufacturing, research and other activities."

Environmentally-minded graduates who are thinking of joining ICI should be aware that, in the eyes of the green lobby, the UK chemical industry is still not doing nearly enough to control pollution, and ICI in particular lags behind its German competitors in cleaning up its plants. ICI employees have a duty to help the company to trade profitably; they do not have the option of campaigning Greenpeace-style to shut down a polluting plant.

Unlike the German and American chemical giants, which have large central environment departments, ICI's environmental activities are highly decentralised. Only Mr Flux and his colleague Mr Mike Bright, the UK environmental adviser, work in the group's head office in London. Out in the field, individual ICI businesses have their own environmental managers; but these tend to be people with extensive knowledge of that business, rather than previous experience of environmental work. There is little chance of a recent graduate recruit getting such a job.

However, as Mr John Stimpson, ICI graduate recruitment manager, points out, the company now offers

in a superb seaside setting in south Devon. It originated as a marine toxicology laboratory for ICI Paints but has steadily expanded its role. This year Brixham was officially designated the Group Environmental Laboratory. Its staff has grown from 50 to 85 over the past four years and there are plans to go up to 100. Much of Brixham's work is still concerned with the discharge of chemical wastes into rivers, lakes and the sea; there is little atmospheric research.

Dr John Lawrence, the laboratory director, prefers to recruit graduates with a degree in one of the traditional sciences, rather than in the newly fashionable field of environmental sciences. "A view held quite widely among environmental employers," he would prefer to go for someone who had done a subject in depth - a good chemist or biologist, for example - rather than someone with a degree in environmental science, which is a jack-of-all-trades degree," he says. "We can give them the environmental emphasis here."

Brixham often recruits science graduates directly by advertising in magazines such as New Scientist, instead of going through ICI's central recruitment process. Salaries start in the £11,000 - £12,000 region but rise quickly. "Anyone who is at all reasonable should reach the £19,000 level by the age of 30," Dr Lawrence says.

Like any modern environmental laboratory, Brixham needs mathematicians and computer scientists to model the movement of pollutants in the environment.

There is a lot of opportunity for mathematicians in environmental work," says Mr Richard Murray-Smith, a 25-year-old maths graduate from the University College of Swansea who joined Brixham's environmental modelling unit in 1987. "Modelling is still in its early stages, as far as chemicals are concerned, and there are still very few environmental mathematicians."

Further information: ICI Group Personnel, Shire Park, Runcorn Road, Walsby

## CONSUMER GOODS

### People will always need to eat and wash

FOOD and packaged consumer products companies are classic "defensive" stocks in recession. However had the economy gets, the thinking goes, people still have to eat and wash.

As dark clouds continue to gather over the economic landscape, how much does the same theory apply to getting and keeping a job with a company in these sectors?

Some companies are trimming their vacancies for 1991 because of the economic outlook. If attrition slows down, there may be fewer management posts available.

Few employers, though, believe their task is going to get any easier. Starting salaries are keeping up with - or exceeding - inflation. Most companies offered at least £11,000 this year, but Unilever, for example, will pay a 1990 graduate of a four-year engineering course £17,150, including London weighting.

"Sometimes, recruiting graduates is almost more competitive than selling soap," says Mr Martin Naylor of Procter & Gamble, the US-owned consumer products giant which, with Unilever, stands as one of the sector's twin peaks in breadth of intake and organisation of management training.

One thing they have in common is that entry at the bottom is the only way in. P&G says it never promotes except from inside; Unilever does only on the rare occasions it cannot find a qualified internal candidate. However, many smaller companies in the sector recruit their marketing teams from three- to four-year veterans of other employers.

In 1990, Unilever is taking about 140 people into its central management development scheme, and a similar number of specialists and mature graduates into direct entry positions. Of the former, 90 per cent will have



Truly International products for a truly International industry

been appointed to their first management position by the end of two years, according to Mr Martin Duffell, head of management recruitment.

Engineers and science graduates continue to be at a premium throughout the sector. Even P&G, a magnet for ambitious graduates, admits it "does not always find it easy recruiting suitably qualified technical people such as chemical engineers."

To an engineering graduate, a company such as Cadbury Schweppes is "not terribly glamorous", according to Mr Bill Burke, the confectionery and soft drinks group's manager of resources and development. Cadbury's solution is to target engineering departments with sponsorship and similar arrangements which raise its profile. It also runs a computer-based business game every September aimed at engineers.

Shortages also lead some companies to cast their nets wider. Although United

Biscuits fills most production management jobs with food technology and engineering graduates, it accepts applicants with any degree for any position. "We mainly need the right people skills for production, and you can get that in any degree discipline," says Ms Kathy Gabler, UB's graduate recruitment officer.

But brand management and marketing is still supreme at most companies. "We're not likely to take an R&D chemist and make him chairman of Reckitt & Colman," says Mr Martin Craven, who co-ordinates graduate recruitment for the food and household products group.

Competition for the best candidates means that recruitment often starts well before the milk round - sponsorship and bursaries are not philanthropy, but a means of meeting bright sparks.

By mid-September, however, Unilever had already filled more than a quarter of its expected 1991 intake from the 1990 milk round. However, it

usually does that only for applicants who plan to be out of Europe for next year.

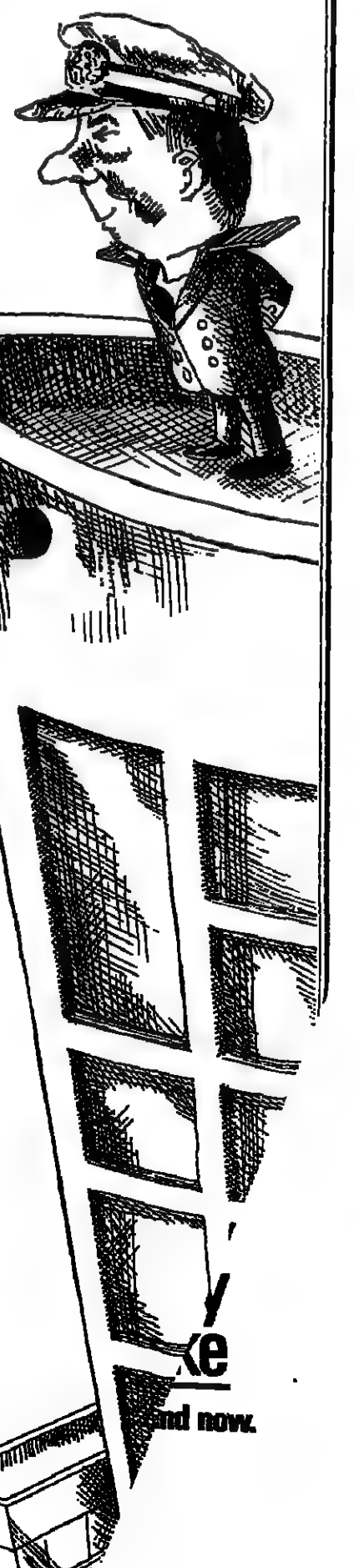
Unilever is also making a concerted effort to stress the ways it helps employees to reconcile career ambitions with personal lives. Its recruitment pack includes a brochure explaining how it tries to keep careers and family lives on track regardless of whether the employee or his or her partner is transferred.

It has also introduced a career break scheme which keeps the absent employee in touch with developments at work. This is designed not to waste the company's investment in training.

It also recognises the growing importance of women in its management ranks. This year, 42 per cent of all management recruits were women. Excluding engineers - where male applicants outnumber female by four to one - the ratio is 50:50.

Clay Harr

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# H

HEALTH  
HOTELS

## HEALTH SERVICE

### Managers brought in to doctor the NHS

MANAGERS are the new fashion in the National Health Service.

Ask most members of the public to describe the people working in a hospital and they will name almost every other group of employees - doctors, nurses, ambulance crews, porters - before thinking of managers. But the reform of the NHS which takes effect next April will create a structure with managers at the centre.

This is the latest and most radical stage in a gradual strengthening of management which has taken place in the NHS over the past 20 years. From next April the system is - at least by the standards of Britain's public services - going to start behaving in a commercial way. The funding of health care will be separated from its supply. Managers working in district health authorities will purchase hospital treatment for patients on the basis of contracts negotiated with other managers who run hospitals.

This is not just a bureaucratic game. Individual hospitals' income will depend on the number and value of contracts they are able to win in what will, over the next few years, become an increasingly competitive internal market.

These changes mean that graduate management trainees entering the NHS during the early 1990s will be doing so at a time when the manager's role is expanding greatly. They will find themselves running businesses as well as delivering services.

The health service recruits around 60 graduate trainees a year for its national management training scheme run by the NHS Training Authority. Young people are recruited from across many academic disciplines and NHS recruitment officials make it clear that they are in



There are some things the sea air can't fix - and some problems in modern health care that need professional management

competition with industry and commerce to attract the best talent - a service which costs £22bn a year to run in England alone has plenty of need for good managers.

Trainees spend two years on a "sandwich" course which combines theoretical and practical elements before going to their first jobs, which are likely to be at deputy hospital manager level.

From next year some hospitals will become self-governing trusts, remaining part of the NHS but run by small businesslike boards. Their managers will, among other freedoms, be able to raise capital on the market for development projects and negotiate the pay and conditions of staff outside national agreements. Newly-trained young managers taking jobs in trusts will be confronted with many of the opportunities and challenges that they would find in any commercial organisation.

They will also find many commercial-style pressures to deliver in line with measurable standards. Mr Duncan Nichol, NHS chief executive, has told his senior managers that the priorities for next year are to cut hospital waiting lists and times and improve maternity services, measured by lower infant mortality rates. Managers who fail to achieve these objectives will lose out financially when their performance-related pay is allocated.

But while the NHS is

becoming more businesslike, the job of a health service manager will never be exactly the same as a commercial one. The NHS's product is health care - businesslike efficiency is worth nothing unless it contributes to better patient services.

Potential health service managers need attitudes which will enable them to take awkward, human factors into account more than is necessary in many jobs.

Those awkward humans will not only be the patients, but many of the manager's own colleagues. The health service consists of a vast range of professional groups - from surgeons to architects - and the manager needs the personality skills to manage and motivate a team of experts who sometimes resent being managed at all. He or she will have to break down the tribalism which can exist between groups of specialists competing for resources.

Although public salaries never equal the highest rates in the private sector, senior managers can earn around £65,000 plus performance-related supplements. In some places, like London, the introduction of self-governing trusts and the loosening of national pay scales may eventually put a premium on the best managers.

Further information: NHS Training Authority, St Bartholomew's Court, 18 Christmas St, Bristol BS1 5BT

Alan Pike

## HOTELS

### Check in to a new field for graduates

DIANE MILLER recalls that her school careers officer was horrified when she expressed interest in a hotel and catering management course at Stirling University. "He thought I must be mad, especially as they saw me as a future international lawyer."

But Ms Miller, 31, has no regrets about choosing a career in hotel management. She has been appointed manager of Trusthouse Forte's Hampstead Post House hotel, the youngest THF general manager in London and one of only a few women hotel general managers in the UK and abroad.

Her decision to develop a career in hotel management has clearly paid off: but she is still in a minority as far as most UK graduates are concerned in choosing hotel and catering as a career.

The problem, quite simply, is that a career in hotel and catering is initially less attractive than many other careers for graduates. The sector offers graduates long hours and little financial reward in the early years after

graduation; many can expect to be employed in the sort of routine jobs that are the essential core of the service sector while "serving their apprenticeship" before moving on to managerial positions.

This approach reflects the fact that there is still some hostility felt towards graduates in an industry where most employees do not have high academic qualifications.

"There is a feeling of wanting to take graduates down a peg or two," admits one hotelier.

Yet such a feeling is slowly being eradicated as those in the industry realise that the scale and growth of hotel and catering businesses in the 1990s requires more professional management. "It's becoming a lot more competitive to attract the sort of talent we increasingly need to manage our expansion," says Mr David Hoffman, head



of human resources for Hilton International. Hilton, which recruits between 75 and 100 graduates a year, aims to give entrants in as short a period as possible, usually about a year but sometimes longer. "We tailor our training programme to the individual and recognise that while he or she needs practical experience, they also want to feel they are making progress," he says.

Hilton graduate trainee Roz Tacon, 26, was recently appointed personnel manager for the London Hilton hotel in Park Lane. Although keen to get into personnel management, she spent her first two years obtaining experience. "It was quite hard during the first two years trying to make an impression, and a nine-month stint of night shifts was very tough," she recalls. "But after overcoming the first two years I find the financial rewards and benefits are now very good."

Hyatt adopts a similar tailor-made approach for the 40 or so graduates it takes on each year. "We are very conscious of the need to develop our future management as quickly as we can while making sure they understand the business," says Ms Vicki Brook, Hyatt's personnel director. She points out that graduates can reach such jobs as food and beverage manager by their mid-20s and be managers by their late 20s or early 30s.

What both Hilton and Hyatt have to offer graduates, however, is one of the key attractions of the job: travel. "We have more than 180 hotels outside the UK and that means there are numerous opportunities to work abroad," adds Ms Brook.

The lure of travel, however, means that at least one foreign language is essential for the modern hotelier, says Ms Pennie Cullen, group personnel and training manager for the Savoy group of hotels. "The hotel industry is increasingly international in scope, and managers in the 1990s will need more languages to progress up the career ladder," she adds.

But the downside of travel opportunities is the high degree of mobility required, not only in the UK but

overseas. "You certainly need a lot of stamina," says Diane Miller, who has moved hotels several times in her career with THF.

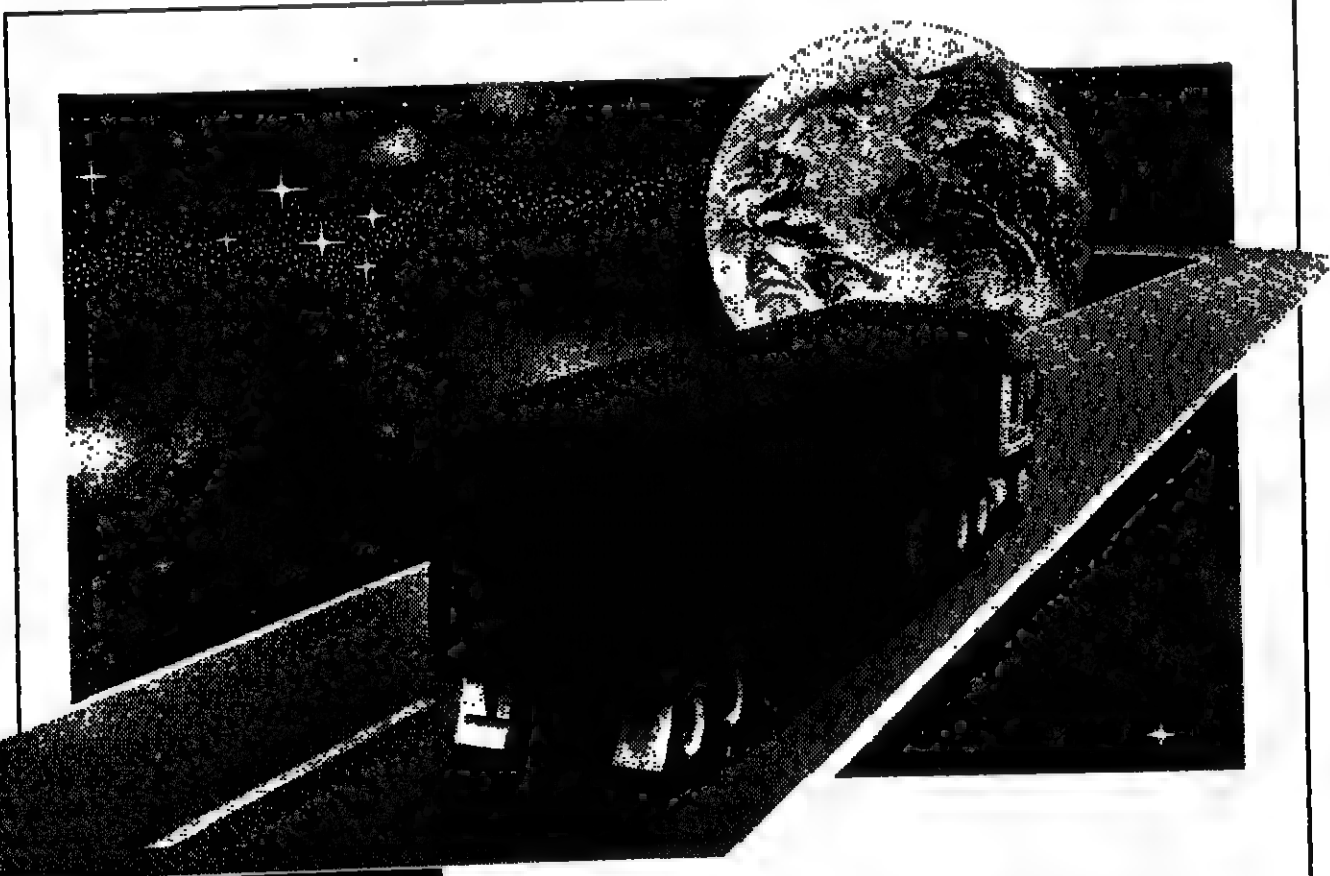
Not all opportunities, however, are with large hotel chains. One of the fastest-growing sectors of the hotel business is country-house hotels, aimed at the leisure and conference market. Mr Laurence Cohen, director of the 22-bedroom Kirkby Fleetham Hall hotel in North Yorkshire, believes there will be a need for more "multi-disciplinary" managers in small hotels in the 1990s. He has therefore linked up with the nearby Huddersfield College of Technology to provide special degree courses aimed at giving more opportunities for in-hotel placements for hotel management students.

Starting salaries for graduate entrants in hotel and catering average £9,000 to £10,000 for the larger hotel chains, and significantly less for smaller hotels, especially in the provinces. Salary growth tends to progress quite slowly in the early years - obviously frustrating many graduates who see their peers' salaries accelerating substantially once managerial positions are reached. Salaries of £30,000 or more after several years' experience are feasible, plus fringe benefits appropriate to hotels of free meals and laundry.

Many hotels are also introducing performance-linked salary schemes. Essex-based Queens Moat Hotels is regarded as having the most sophisticated and successful performance pay scheme for senior managers, although this applies more to its UK-based hotel portfolio rather than its continental hotels, where it is the largest British-controlled hotel group.

Further information: British Hotels Restaurants and Caterers Association, 40, Duke Street, London, W1M 6BB; Hotel and Catering Training Board, Ramsey House, Central Square, Wembley, HA9 7AF; Hotel, Catering and Institutional Management Association, 181, Trinity Road, London, SW17 7BN.

David Churchill



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ON THE ROAD TOWARDS GLOBAL GROWTH

## INSURANCE

## INSURANCE

### Waking up to a planned policy

BY ITS own admission, the insurance industry has done precious little to sell itself to graduates. Only recently has the business woken up to fierce competition for highly-trained intelligent young people.

The insurance industry is recruiting around 2,500 to 3,000 graduates a year, double the number of 10 years ago.

In the UK, there are three disparate segments of the industry: insurance companies, insurance brokers and Lloyd's syndicates. However, there is little co-ordination between these areas on certain matters of common interest such as marketing the industry as a career. Within each area there is very little co-ordination, with each firm approaching recruitment in its own fashion.

Generic promotion of insurance as a career is undertaken primarily by the Chartered Insurance Institute, the professional and educational body for the insurance industry.

Individual firms often use the annual milk round of universities for their recruitment efforts, but there is a singular lack of general co-ordination for recruitment. This can be seen even within companies, with separate divisions left to their own devices on recruitment.

The Royal Insurance Group, for example, has several operating companies within its overall structure. Until recently, each had its own recruitment policy, and each company sent its own representative on the milk-round. This left Royal UK in the unfortunate position of competing with Royal International for graduates.

Now Royal is putting together a group strategy towards graduate recruitment.

The Merritt Group, the second largest syndicate group at Lloyd's insurance market, does not participate in the milk-round. Instead, it relies on graduates approaching it directly, and hopes that its reputation as a successful innovative organisation will mean it attracts top people.

What can the insurance industry offer graduates in the way of career prospects?

First, it should be made clear that general insurance and life insurance are, in many respects, separate industries within the overall insurance industry.

Life insurance has traditionally tended to be dominated by actuaries, even in non-actuarial posts.

However, non-actuaries are playing an increasingly important role in life insurance, especially in the newer unit-linked life companies (unit-linked assurance is a type of life insurance in which the premiums are partially invested in unit trusts). The growth of unit-linked life assurance, a product for savings and investment, has spearheaded the organic change in life insurance which had previously focused exclusively on income protection in the event of death.

This in turn means that the modern life assurance industry revolves around marketing, investment and administration rather than underwriting. Thus the career opportunities within life assurance include designing and marketing savings and protection products in a very competitive market and managing life and pension funds.

Underwriting in the life assurance field tends to be concentrated with the reinsurance companies. These are specialist firms which allow underwriters to share risk with many others, thus minimising their own losses. In contrast, underwriting is still the main function in

general insurance operations, from the largest composite insurance group to the smaller specialist Lloyd's syndicates.

An underwriter is primarily responsible for assessing risks and balancing those against premiums. This may relate to mass risk, such as that on houses and cars, or to a one-off risk such as the failure of a satellite to orbit properly after launch or the risk of a film star losing his teeth.

Investment management is still important in general insurance operations, although possibly more restrictive than with life assurance and pension funds.

All aspects of the insurance industry have been affected by the technological developments of the past three decades. Information technology is now central to any insurance operation, not solely for record-keeping and updating, but for statistical analysis, product development and even basic underwriting.

Insurance companies still prefer to train their own IT personnel, with an insurance background, rather than hire experienced IT people who have to then be taught insurance.

The insurance industry has always placed great emphasis on on-the-job training of its employees, backed by the qualifications provided by the Chartered Insurance Institute. Later on in their careers, some firms would expect suitable graduates to expand their knowledge and qualifications.

Leading multinational insurance brokers, Willis Faber, for instance, expect graduates to take and complete the CII examinations within three years of appointment.

So a graduate entering the insurance industry can expect further years of study and training. Indeed, most insurance firms operate a "fast track" training programme for graduates, aimed at accelerating the training of graduates.

The Scottish-based General Accident Group has three levels of training - a fast track scheme for a few selected graduates with a first or upper second class honours degree showing management skills, a scheme for technical graduates, and one for potential underwriters.

Starting salaries tend to be higher than for school leavers and tend to be in the higher quartile in the expected range of starting salaries for graduates.

Further information: Lynn Bryson, Careers Information Officer, Chartered Insurance Institute, 7th Floor, Alderman House, 10-15 Avenue



مركز التوظيف



## JOURNALISM

## JOURNALISM

## You have to be Superman to make it

ASK the public how much they trust newspaper journalists and the answer tends to be unambiguous. Journalists often come behind even politicians and estate agents and somewhere in the realms of used car salesmen.

According to Professor Hugh Stephenson, professor of journalism at City University, similar results are turned up by opinion polls all over the developed world – and in almost every case, he believes, the results are misleading.

The outcome, he argues, is determined by the nature of the question which triggers stereotypes and preconceptions in the public mind.

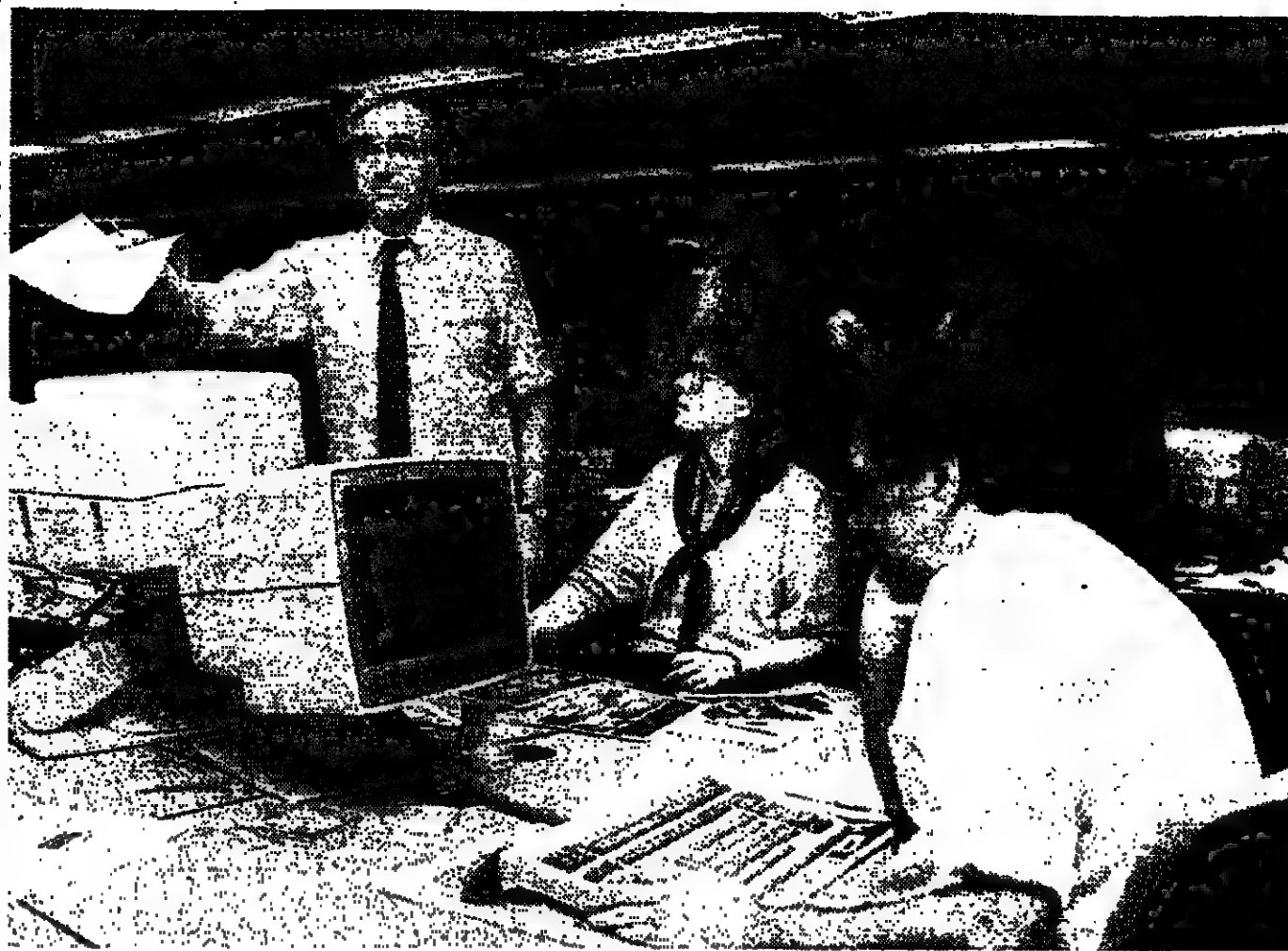
Ask a different question – Would you like your son or daughter to become a journalist? – and the answer is usually very different.

Whatever the origin or reality of public opinion about newspapers there is no doubt the business continues to attract large numbers of well-qualified applicants and that the most difficult task many journalists face in their careers will be how to make themselves stand out from the crowd and persuade an editor to take them on.

"It's a very difficult, quite long, drawn-out and quite soul-destroying experience," says Mr Neil Buckley in spite of having apparently done all the right things and in spite of holding a number of cards.

Neil Buckley edited his school paper and in a year off before going to Oxford worked on *Running* magazine. At university, where he read Russian and French, he was diary, sports and then news editor of *Charwell* the student newspaper.

Yet he did not even get an interview at Reuter, the international news agency. In spite of his Russian. In the end, though, Neil Buckley had the choice of a traineeship at



The most difficult task many journalists face in their careers will be how to persuade an editor to take them on

ITN or at the Financial Times. He chose the FT and a five-month course at the Westminster Press training school at Hastings. Neil has a guaranteed job on the FT at a salary of £14,500 – 70 per cent of the minimum National Union of Journalists' £20,800 pay rate.

Another route into journalism is at Reuter. This year the group took eight journalism graduate trainees on two-year contracts for Reuter Europe, Middle East and Africa. After a spell on the London news desk each will get a foreign assignment. The news agency is looking for one and preferably two languages other than English.

The Times chooses between four or five graduates a year, usually from Oxbridge, from hundreds of applicants. There is no formal training course but instead the young trainees learn "on the job" by working in a variety of departments.

There is no guarantee of a permanent job but the paper promises to make a decision by the 11th month.

The 86 graduates a year chosen out of more than 800

applicants for the UK courses at the City University also do not have guaranteed jobs but most who complete the course appear to have little difficulty finding a job.

"One of the things these courses are doing is acting as a sort of filtering operation. I think it's a comfort to employers if someone has done a one-year screening of them," Prof Stephenson argues.

The "filtering operation" is as practical as Prof Stephenson can make it and includes exercises such as covering coroners' and magistrates' courts.

More important, from the point of view of future employment, the students go on two attachments to newspapers or magazines.

At least one City student on attachment ended up very much in the deep end. Two years ago the young woman arrived at 8.45am – 15 minutes early – on the first day of her attachment to the South London Press and walked straight into reporting the Clapham train crash.

Courses such as those at City are accredited by the

National Council for the Training of Journalists (NCTJ), the body that is still responsible for the training of most journalists whether they join a paper direct from school or go on a post-graduate course. About 350 are on one-year pre-entry courses, and about 450 a year opt for working on newspapers while continuing their training.

Recently, the NCTJ has developed a distance learning course for journalists, including video cassettes on such subjects as law and local government.

There has, however, been a move away from the NCTJ in recent years with Westminster Press and Thomson Regional Newspapers, through its Newcastle training centre, awarding their own certificates.

The Newspaper Society, the body representing regional newspapers has launched a broad-ranging review of journalism training and qualifications. The review will examine the role of the NCTJ and look at the industry's progress in developing

government-approved National Vocational Qualifications.

EMAP, the regional newspaper and magazine publishing company, plans to go the same way and Mr Barry Holden, managing director of the Peterborough Evening Telegraph, an EMAP paper, plans to set up a training centre for the group.

For graduates interested in journalism, United Newspapers, publishers of everything from the Daily Express and the Yorkshire Post to *Punch* magazine, have opened a new career path.

Mr David Barron, group personnel manager of United, has been trawling round six universities – Oxford, Cambridge, London, Bristol, Durham and Leeds – offering work experience to students interested in newspaper management. Six students will be sponsored in their final year and from the summer of 1991 there will be a limited number of places on a full-time training programme in media management.

Raymond Snoddy

## Try the business publishing route

AT Bristol University, Simon Waldman read classics. His first job was as a feature writer on *Shoe and Leather News* before moving on to *DR The Fashion Business*, a leading rag trade publication.

Now, two years after leaving university, he writes on the entire business-to-business publishing sector for *Media Week*, the specialist industry publication, and is earning more than he would on most local and regional newspapers.

"The reason I went into business publishing was because I never really got involved in journalism at university and that path wasn't open to me," says Simon, 24, who faced challenges such as writing 800 words on the shoe shops of Oxford Street.

Business publishing, which used to be known rather disparagingly as "the trade press", is increasingly seen as a significant publishing sector, and is proving an attractive way into journalism and advertising sales for young graduates.

"It's the most likely entry point for people interested in getting involved in journalism," says Mr Lance Knobel, editorial director of Haymarket Publishing, a group whose 50 or so titles include *Campaign*, *Marketing*, *What Car* and *Management Today*.

For young recruits there is the pleasure of becoming an expert in a specialist field in a short period or the prospect for science or technology graduates to write about their areas of study.

Promotion also tends to be rapid within what are usually fairly small magazines. It would not be unusual, for example, for a talented business journalist to be editing a monthly magazine by the age of 30.

Pay seems also to have improved. A recent survey of pay scales by *Journalist's Week* showed few business press editors earning more

than £40,000, but with one third earning more than £20,000. More than 60 per cent of sub-editors and reporters earned between £10,000 and £16,000.

A journalist on an apparently obscure business publication, say in the defence equipment field, can suddenly become a little famous by finding his expertise in great demand on national television. Some also move on to national newspapers.

The most serious problem facing new entrants to business publishing at the moment is the recession which is hitting advertising revenue badly and lowering recruitment levels.

For the past two years Haymarket has run its own graduate training programme for 12 people a year.

With the very hard times the publishing industry is facing we are not running it this year, but I would hope we will be able to reinstitute it," Mr Knobel said.

Morgan Grampian, which publishes titles such as *Electronic Times*, *The Engineer*, *Building Design* and *Farming News*, has had a graduate training scheme for the past 15 years and takes 10 to 14 new graduates every year, many of them specialists in areas such as chemical engineering.

Apart from the formal aspects of training, Mr Robt Wood, publisher of four chemical engineering titles and chairman of the training committee at Morgan Grampian, believes "the only way to really learn is by doing it."

Reed Business Publishing one of the largest business-to-business publishing companies with something like 110 titles is also not taking on many journalists at the moment because of the economic climate.

Mr Jeremy Elyes, group personnel manager of Reed Business Publishing, says the company tends to take people who already have some experience.

The main route into Reed Business Publishing for new graduates is to join the telephone sales team and try to transfer later to the editorial side. The chief reporter of *Personnel Today*, for example,

Continued on next p

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Belgium,  
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Portugal,  
Spain

and the United Kingdom  
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CREDIT LYONNAIS GROUP  
THE POWER OF POSITIVE BANKING THROUGHOUT



Continued from previous page  
 Mr Elmes is looking above  
 all else, he says, for "the  
 ability to write clear English  
 with decent punctuation".

**Raymond Snoddy**  
**PROFILE: Steve Duffy**

## You just have to grit your teeth

STEVE DUFFY knew precisely that he did not want to do when he grew up. He did not want to be a teacher and he did not want to be an accountant, and most of all he did not want a nine-to-five job.

"I popped into my local newspaper to look around and liked the look of it," says Mr Duffy, who is now a general reporter on the South Wales Evening Echo in Cardiff.

His first serious move into journalism was when he began writing for Gair Rhydd - Free Press - his student newspaper at University College Cardiff, writing everything from news to reviews.

When he finished his degree in history and politics, Mr Duffy took a sabbatical year to edit the paper. "I got the appetite for newspapers. It sally galled," he says now.

Then came the most difficult problem. What should he do next and how was he to get to all-important first job in newspapers?

He tried the postgraduate courses at Cardiff and the City University in London, and in 1985 accepted a place on City's course for periodical journalists even though it was all newspapers which interested him.

"I wanted to get in anywhere. I knew how competitive it was, and it was great relief to get a place," he says. After City, Duffy was one of 100 potential reporters who were interviewed for two jobs with Thomson Regional



Steve Duffy: developed an "appetite for newspapers"

Newspapers at Cardiff - one on the Western Mail and the other on the Echo.

"I was successful but it was quite daunting," he says, adding that people who want to get into the field have usually just got to grit their teeth and be prepared to go anywhere to get their vital first job.

Mr Duffy also advises hopeful journalists to keep their finances in order. In spite of having a £1,800 local authority grant for the City University course, the costs of living in London meant he went through £1,000 in savings and a £2,000 bank loan.

"It can cripple your finances," he says. He is now 25 years old, and his salary has risen to £11,800.

Regional newspaper journalism has lived up to his expectations. "Right from the beginning you are thrown in at the deep end and are expected to cover the same stories as other reporters - everything from fires to road accidents and deaths."

He has successfully completed the "very practical" Thomson training course in Newcastle, which includes

writing stories for the local Evening Chronicle. "It's a boost to your confidence to see your name in print," he says. After completing the course and a further period of reporting, Mr Duffy had to go before a panel of Thomson editors to convince them he was competent in every aspect of the job. He was one of 13 Thomson trainees who passed the panel.

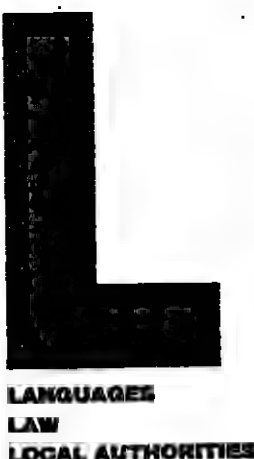
"In the first three or four weeks I could not believe someone was paying me to do this job. But you soon realise that it's a job, like anything else," he says.

However, it's not quite like all other jobs. "When you put your foot on the accelerator and the adrenalin is flowing and it's getting close to deadline and you've got to get your story over, it's quite exciting," says Mr Duffy.

He is not sure yet whether he would like to move on to be a specialist reporter, a sub-editor or try for national newspapers.

"There are plenty of opportunities," he says.

**Raymond Snoddy**



## LANGUAGES

### Sitting pretty as 1992 nears

ONE could forgive today's foreign language graduates for feeling a little smug. They who had the inclination - perhaps even foresight - to read a language as part of their degree courses are now sitting pretty in the job market.

The emergence of the European Community as the driving force of Europe has led to a reassessment by British and Continental businesses of the calibre of staff they need. In particular, the European Commission's crusade to open the EC's borders by 1992 has boosted awareness that cross-border trading will be at a premium in the coming years.

A foreign language is not an open ticket to the position of one's dreams, but the message from the growing number of businesses looking abroad is that a graduate with language skills, particularly one with a measure of professional training, is at a definite advantage.

And as the demand for linguistic skills grows, so too does the range of jobs. Today's language graduates are no longer browsing the small ads marked "translator/interpreter wanted". Far from it. A recent survey by the University Association for Contemporary European Studies of more than 1,500 graduates of European study courses - which have a strong language element - found them choosing a wide range of careers. Around half found work in management services, with administration, finance and sales work dominating.

Around a third of those surveyed opted for some sort of vocational training, with bilingual secretarial work and teaching favourites. Accountancy, export marketing, legal services and banking also figured prominently. Three-quarters of all graduates used their language skills to some degree in their new positions.

Mr Neil Harris, a senior careers adviser for the University of London, says: "Job prospects for those with foreign language skills are good and getting better, especially with 1992 and particularly in commercial areas. However, my advice to any graduate in this area would be to gain experience in a recognised professional field and then combine that with any linguistic abilities to greater effect."

This theme is echoed by recruiters and employers. Mr Stephen Burke, director of international operations at recruitment agency Michael Page Finance, Amsterdam, says: "A foreign language graduate with around three years' experience in finance, for example, is in a very strong position. Demand for management of international calibre - who must have good language abilities - is high. We are also experiencing strong demand for those who are well trained in areas such as marketing, sales and commerce."

Ms Lynsey Sugden, a director of a leading London recruitment group, comments: "We find that to be a graduate in a foreign language is simply not enough. Language skills need to be combined with other skills such as commerce, accountancy or management. The only area this does not apply so much to is eastern Europe, where language skills are so rare. An accountancy firm which approached us to recruit said it was willing to reconsider its qualification requirements for anyone speaking an eastern European language."

Price Waterhouse, the accountancy and management group, says its Budapest office has become its fastest growing - quickly followed by its Prague operations.

The company will be recruiting some 720 graduates this year, and although it is geared to providing linguistic training to the required staff, it acknowledges that those graduate trainees with modern language skills are at a premium. Starting salaries for trainees with the top accountancy firms are in the range of £11,000-£15,000.

A more direct route to language use for graduates lies in the more traditional roles - teaching, interpreting and translating - which are still in demand.

Institutional demand has increased in line with Britain's growing involvement in the European Community. Civil service recruitment of foreign language graduates has widened. This year, for example, the traditional

employ a dozen new linguists, will be joined by larger intakes from the likes of the Department of Trade and Industry and the Customs and Excise office. Starting salaries for linguists are £9,000-£12,000.

Language graduates are still warmly welcomed by the teaching establishment, which, like the rest of the business world, is experiencing its own boom on the back of the growing interest in a united Europe. Language schools are blossoming, and while the remuneration still lags behind most other professions, the travel opportunities of teaching abroad are often cited as compensation.

French speakers continue to be the most sought-after. In a recent survey of the language requirements of 1,500 British companies, 64 per cent wanted French, 57.5 per cent German, 23 per cent Spanish, 19 per cent Italian, 8.5 per cent Arabic, 4.5 per cent Japanese and Dutch and 4 per cent Russian. In addition, companies spoke highly of those recruits who had an understanding of the culture and nature of the language they had studied.

For foreign language graduates, pay and employment prospects are likely to continue to improve as demand outstrips supply.

Among recent graduates who have used their skills are William Kenyon, 25, graduated from Oxford University in modern languages. He is in his second year as a trainee accountant with Price Waterhouse in London.

"During my college year abroad I realised that having a European language itself was

## There's a living to be made out of grammar

TEACH English and see the world. Sounds great, doesn't it?

In fact, teaching English as a foreign language (TEFL) can be a great experience that gives you a chance to live abroad and earn money while you're doing it. But it can also be a nightmare if you are not careful, the professionals say.

The consensus among those involved in placing TEFL teachers is that while it is possible simply to find informal employment as an English language teacher in a foreign country, it is far better to obtain a recognised credential before you go. Even better, have a firm, legally binding contract from a reputable employer and approved visas from the country in question. For those without them, the horror stories abound. You may find yourself sacked at the drop of a hat when enrolment dips for summer holidays, ineligible for social security or medical care and without airfare home.

The first step towards legal employment is obtaining the necessary credentials. For university graduates, even those with degrees in teaching, the bare minimum is a Royal Society of Arts Examinations Board / University of Cambridge Local Examinations Syndicate certificate. This is a four-week course for which

obtain a Post Graduate Certificate in Education with a specialisation in TEFL. However, even that is often not enough. The British Council also requires two years' experience on top of those credentials, as do many corporations who seek TEFL instructors to train their own staff abroad.

Salary and conditions vary greatly for TEFL teachers in different countries. Ms Brogan, whose employment agency specialises in placing TEFL teachers in Spain and Italy, says that average salaries in Spain are the equivalent of £500 to £600 a month net. However, if you are working in Madrid or Barcelona where rents are high, that will not go very far. "You'll never get rich as a TEFL teacher," she says.

Although demand for qualified people in Spain is still far greater than the number of people available to do the job, Spain still makes it difficult for foreigners to obtain visas. Obtaining yours, even with a legal contractual offer from a reputable employer, could take weeks.

Once that is sorted out, Ms Brogan says, things should go smoothly. Most reputable schools in Spain are members of an organisation known as FECEL. If a member of this organisation refuses to honour your contract, at least you have someone to complain to.

Some other countries such as Italy, Greece and Turkey are easier to obtain legal work in. Ms Brogan says, but you must beware of the large number of educational "bucket shops". Obtaining illegal work - work without a visa, for which credentials are



William Kenyon: "I realised that having a European language itself was not enough."

not enough, that I needed an extra qualification - something I could apply my language to. Accountancy seemed to be a well-rounded profession which would allow me to use my language. I'm already using my languages: I was seconded to Stockholm earlier this year for 5 weeks and at the moment I'm translating German documentation in London.

"When I qualify I certainly hope to work abroad, especially with all the opportunities 1992 will create." Sophie Crampton, 23, graduated from Kings College, University of London, in Spanish in 1989. She now works as a trainee broker for a brokerage house, Hogg, in the City of London.

"I was recruited specifically for my language skills. I work through the Lloyd's insurance market and I'm using my languages every day in contact with clients in Madrid. When I decided to apply for the college course, I just wanted to be fluent in another language and I did have ideas about perhaps going into the wine trade. But now I'm working in the City I wouldn't work anywhere else. It's exciting and one can see a clear career path. It's also great fun."

"I would advise anyone considering a foreign language course to look at it very carefully. A lot of universities have traditional courses which don't have the modern aspects of the language or cover cultural aspects - two things which I've found useful in helping me find work."

Further information: Read European Studies: A Discipline-Based Survey of Graduate Careers (UACES, King's College, London, WC2 2LS, £3.50); Contact Mr J Sanchez, Berlitz Schools of Languages, Gran Via 80-4, 28013 Madrid, Spain; Civil Service Commission, Room 307, Alencon Link, Basingstoke, Hants, RG21 1JB; Chartered Institute of Marketing, Moor Hall, Cookham, Maidenhead, Berkshire SL6 9QH;

less range from £400 to £600. A list of approved schools offering this certificate is available from the British Council, which offers courses itself and is a significant employer of TEFL instructors.

Ms Nicola Brogan, recruitment director of the Skola Organisation, which places TEFL teachers abroad, said that even a little experience on top of that certificate greatly improves the odds of obtaining employment. A four-week TEFL course includes only seven hours of teaching experience, insufficient to reassure most reputable employers. Ms Brogan suggests certificate holders seek summer employment at a UK-based English language school teaching foreigners. "At least that way, they know you can handle a class," she says.

However, you greatly increase your options by going on for more intensive training. RSA/Cambridge also offer a one-year diploma course in TEFL which is a must for anyone thinking of making a long-term career in the field. Advancement outside simple classrooms to more lucrative payment is virtually impossible without it. An alternative is for students to

frequently not required - is also easier in these places.

Mr John Cleaver, recruitment manager at International Language Centres Recruitment Ltd, which specialises in Asian and Middle Eastern placements, says the job market for TEFL teachers abroad is booming. The very low salaries will have to rise if demand is to be met, he believes.

The Middle East, Mr Cleaver says, is not the lucrative market for TEFL teachers that it once was, even disregarding the current crisis. Salaries may be £15,000 a year in Saudi Arabia, tax free, with an apartment thrown in - but then two years' experience plus an RSA diploma or PGCE is required. Also, the Saudis rarely hire women teachers, except to teach female students.

In Asia, Korea is experiencing strong demand for TEFL teachers, and the top schools will pay the equivalent of £12,000 for qualified people. Corporations will pay up to £15,000, while universities pay a meagre £7,000. Visas are easy to obtain although living conditions can be rudimentary.

Contrarily, Japan, where salaries can reach well over £1,000 a month, has been inundated with TEFL teachers. There are moves afoot to make it more difficult to switch a tourist visa to a work visa, so one can no longer just travel there and find a job.

Mr Cleaver offers this checklist of questions for those working abroad:

- What will teaching hours be? About 25 a week is standard.
- What type of student will you be teaching?
- Will travel expenses be paid?
- Are there any paid holidays? What about home leave?
- Is accommodation provided? Is it free? What sort is it; is it furnished?
- Will there be a binding contract?
- Will you be provided with private medical insurance?
- Is it a monthly contract or an annual contract? Mr

## DO YOU WANT TO HELP THE SICK - and the British economy?

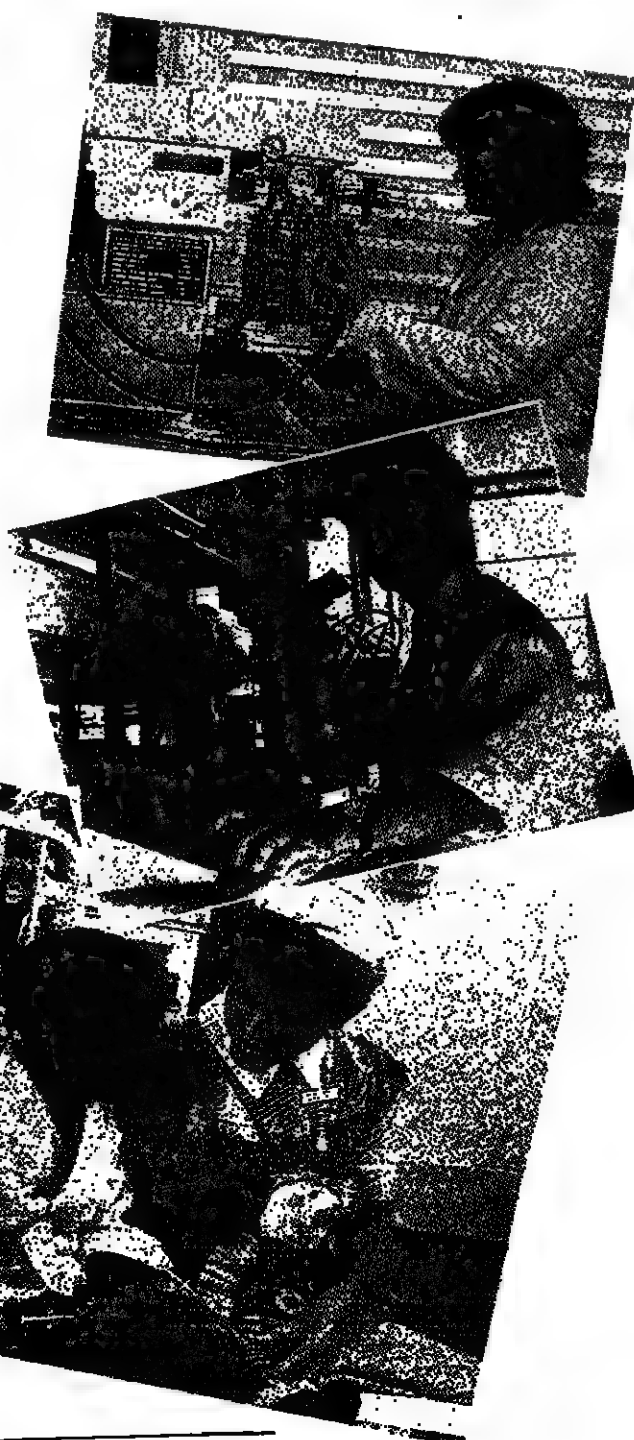
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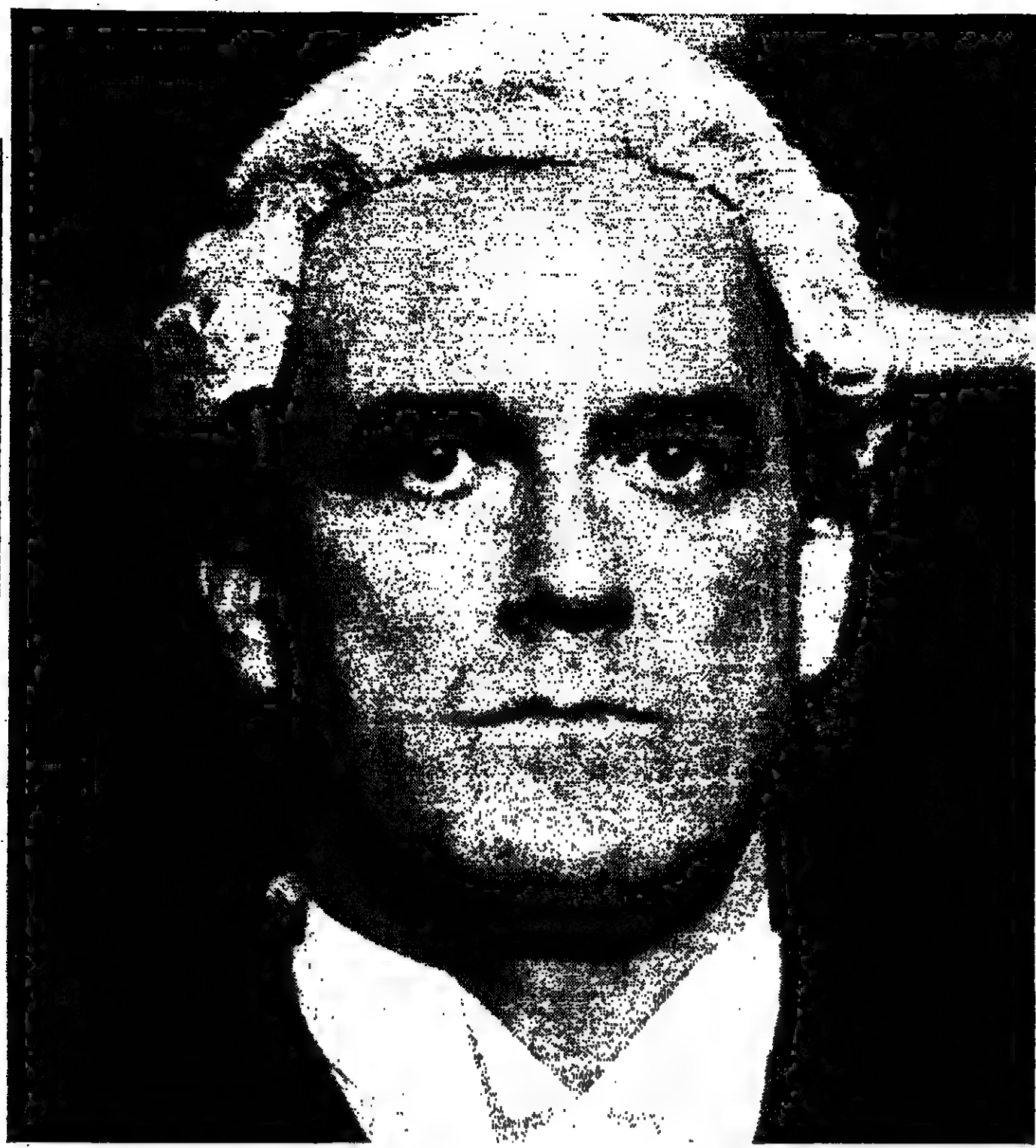
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Continued from previous page  
periods, so think about how you will support yourself for the remaining three months. What notice period are the school and the teacher required to give each other?

Those in the TEFL business agree that the top-line employer is the state-run British Council, with 51 centres in 31 countries. Salaries are considerably higher than those paid by local employers, and the package includes finding accommodation, a baggage allowance, medical insurance and a return air-fare.

For those seeking a different kind of TEFL experience, there is the Volunteer Service Organisation. You will be hired only on local terms - which could mean £80 a month and a hut without running water or electricity. However, you will get to visit some of the most exotic places in the world and have the experience of a lifetime.

Further information: EFL Gazette Guide 1990/91 (publ. EFL Gazette, 64 Ormby Road, Isle of Man, PR1 3JF); How To Teach Abroad: A Guide to Opportunity, by Roger Jones (publ. Northcote House, Plymouth); The British Council, CMT Recruitment, 100 Spring Gardens London SW1A 2BN telephone 071-388 4831; Volunteer Service Organisation, Inquiries Unit, 317 Putney Bridge Road, London SW15 2PN.

Norma Cohen

## LAW

### If you're a round peg - find a round hole

TRAINEE solicitors are all things to all people. To the large City firms they are academically highly qualified and ambitious, to smaller practices they are rounded, communicative and bright individuals. Attempts to fit yourself into a stereotype for job applications will not work: mutual compatibility is the answer.

"The most important thing to consider, apart from whether the firm covers the area of law in which you are interested, is whether you like the people you're going to work with," says Anne Marie Martin, senior careers adviser at the University of London. "Don't be blinded by attractive partnership prospects. You can always move on later."

Murdoch Morrison, manager of the Law Society's recruitment service, adds: "Be flexible about where you're prepared to train. It's no longer true that the best prospects are all in London."

The minimum rate for trainees in the provinces is £2,700 a year, lower than the London figures - £3,900 for inner and £9,600 for outer London - but it will go further. In today's competitive market, also, a majority of firms, particularly in the south-east, pay above the minimum.

At the top of the spectrum, giant City firm Clifford Chance pays its 130 trainees on a scale upwards from £15,000. The minimum requirement is a 2:1 degree.

"We look at both university and polytechnic students, although most of the successful applicants come from universities," says head of personnel, Alistair Dawson. Some 90 per cent of trainees stay on after qualification, in London or one of the 14 offices abroad. More than two thirds of the firm's newer partners are former Clifford Chance trainees.

A 2:1 law or non-law degree is also required by the 57-partner Penningtons. Other recommended factors are self-discipline, organisation and the ability to get on with people. "This means clients but also colleagues," says training officer Jane Barham Carter.

The firm takes on about 15 trainees each year, mostly in London, with one or two in each of the four provincial offices, which offer the chance for geographical change without a job interview, Mr Carter says.

The 11-partner firm of Leathes Prior is based in Norwich, with a second office in a small market town, providing good "workface" experience, according to partner Anthony Hansell.

The firm looks for trainees with maturity and a 2:1 university degree, not necessarily in law. "We've had a few unhappy experiences with poly graduates, but we would not exclude them," Mr Hansell says.

Half the assistant solicitors and partners were article'd to the firm.

Buchanan and White, an

"We don't want brains on sticks, we want rounded people who can cope with the stresses of practice at the Bar"

with a newer Scarborough office, will have five partners and three trainees by next year. Partner Sue Truett says that apart from requiring a "reasonable academic side," the firm is more interested in looking at candidates' other interests; whether they have travelled or taken time out to work in something completely different.

Chris Magrath runs an expanding two-partner central London practice. Good academic grades "don't necessarily make for the best practical lawyer," he says. Above all, he looks for "normality": an ability to fit in with the firm, to relate to clients and not to be blinded by mystique.

Also important are a talent for hard work and a willingness to take responsibility, to learn fast and not to be "miffed every time an error is pointed out".

In the past, only the well-off could afford to train for the Bar. Good news for potential barristers was announced earlier in the summer, with the setting up of a fund to provide awards for able pupils in financially poor sets of chambers. More than £3m has been promised so far by practitioners to provide at least 400 funded pupils by next year. The General Council of the Bar has allocated £50,000 to the fund.

A large commercial set of chambers, 1 Brick Court, pays its four pupils £5,000 for each six-month period of pupillage. In common with many other chambers, 1 Brick Court has reduced the intake to allow pupils a reasonable chance of gaining the one tenancy offered each year.

Excellent academic results are not necessarily the most important factor in choosing pupils, says member of chambers Paul Walker. "It's more important that somebody can think clearly and present an argument cogently."

Alistair Norris of the Chancery set at 2 New Square agrees. "We don't want brains on sticks, we want rounded people who can cope with the stresses of practice at the Bar can bring."

Another growing practice is that of offering "mini-pupillages" for students and prospective barristers. Many chambers offer an assessed mini-pupillage for applicants, often with expenses paid, and a shorter visit for people exploring whether the Bar is for them.

Alistair Norris lists the universal features of a good barrister: a high level of literacy; intellectual integrity; eloquence; and an exceptional level of commitment.

A degree of objectivity is necessary, too. "A barrister must be prepared to argue whatever cause comes his way, whether he is personally in sympathy or not. The same degree of service must be given to every client."

In large and small firms throughout the country, there are as many types of employer as potential trainees. Consider first what motivates you; then select employers who offer scope for those ambitions. The match should be successful.

Sharon Wallach

## Solicitor or barrister: the new legal divide

THE legal profession is in the midst of an upheaval.

The new Courts and Legal Services legislation proposed by the government is bound to alter practice and procedures, not least by giving solicitors increased rights of audience, meaning they could appear in some courts as advocates.

In addition, the two professional bodies have themselves been instigators of many changes.

Earlier this year, the Law Society agreed radical new training regulations for solicitors, with a greater emphasis on skills enhancement. The Bar's General Council announced funding for pupil barristers, who will no longer have to practise from chambers - a barristers' set of offices.

The barristers of the 1990s will begin professional life without the financial disadvantage suffered by their predecessors. From next autumn, every trainee will have a minimum income of £3,000 for each of the two six-month apprenticeship periods, known as pupillage.

Another concern which may have deterred a few would-be barristers - that of finding a tenancy, a place to practice - has also been addressed. Barristers may now practise from home, and the Bar Council is establishing a library in London enabling those unable to find tenancies to set up in practice.

The library, which it is hoped will be ready by next Easter, will have accommodation and office facilities for 50 barristers affiliated to established chambers, and will also employ clerks to liaise with clients. Initially, the scheme will be underwritten by the Bar Council and the Inns of Court.

More chambers are being set up outside the Inns and outside London, particularly in the growing commercial centres - Southampton is one - and big provincial cities: Nottingham, Leeds, Manchester, Bristol, Exeter and Cardiff.

There is likely to be a new look for solicitors' training by 1993. The old final exam system is to be changed, and it remains to be seen what effect that will have on articles.

Professional skills - particularly communication - and efficiency are the key words at a time when much of the solicitor's traditional arena is being eroded. The downturn in legal aid rates has led to hundreds of firms giving up the work, and the lucrative conveyancing field has suffered from the plunge of the property market.

It is threatened further by the government's intention, through the courts and legal services legislation, to open up conveyancing to competition from banks and

take up the option to offer conveyancing services, solicitors face a further erosion of their source of income.

But solicitors are already beginning to look more and more towards the commercial world and opportunities offered in Europe. A reflection of this is the Law Society's move to open an office in Brussels in November.

None the less, "an element of crystal ball gazing" is involved in predicting life after the Courts and Legal Services legislation, according to Bar Council treasurer, Anthony Thornton QC. Shifts in the amount of work available to barristers will inevitably follow the breaking of their monopoly in the higher courts, to the advantage of solicitors.

On the other hand, the proposed arrangements for legal aid coupled with further reductions of pay rates may work in favour of barristers because of their low overheads.

Mr Thornton foresees an increased demand for barristers employed by companies. At present, barristers may appear only for their firm and not for clients. "My personal prediction is that over the years, that restriction will be removed," he says.

Change and uncertainty have done nothing to deter the 6 per cent or so of new solicitors and barristers who qualify each year. Anthony Thornton spoke for both branches of the profession when he predicted no falling off in numbers in years to come. The old traditions are another matter: "Fewer," he said, "will be in practice in the same type of work as the Rumpoles of today."

Further information: Roset (Register of Solicitors Employing Trainees), publ. Law Society; Bogot Legal (Register of Graduate Employment and Training Legal), publ. CSU for the Association of Graduate Careers Advisory Services; Chambers, Pupillages and Awards, publ. General Council of the Bar; The Law Fair, organised by the University of London Careers Advisory Service, at the Business Design Centre, Islington, London N1, March 14 and 15, 1991. Exhibitors include private and public sector recruiting law and non-law graduates.

Sharon Wallach

## State work: safe, and not so dull

GOVERNMENT employment is all too often dismissed by young lawyers as being safe but dull: something for the 21-year-old with an eye on a pension.

While it does offer job security, its reputation for dullness is undeserved. Work opportunities are varied and often involve matters of public policy. Lawyers may take part in consultation local police

since legislation is usually needed to implement state plans. Many handle issues almost as a matter of routine, which would be a novelty for other lawyers.

For example, government lawyers might work on the Hillsborough Stadium inquiry, poll-tax capping legislation, European Court proceedings questioning UK parliamentary supremacy or hearings under the European Human Rights

Convention on the detention of terrorists.

The Government Legal Service (GLS), which provides the lawyers for ministries and government departments and offices, employs about 1,000 lawyers. Most, though not all, work in London. The Crown Prosecution Service (CPS), which is responsible for prosecuting criminal cases on behalf of the state, employs about 2,000 lawyers in more than 100 offices throughout the country.

The CPS has traditionally suffered from poor morale, especially in London, but it has recently been reorganised, with a new salary and promotion structure and now consciously aims to attract and retain talented staff.

Parliamentary Counsel - the government's draftsmen and the Foreign and Commonwealth Office recruit lawyers separately.

GLS lawyers may have a predominantly advisory role - researching, writing reports, negotiating EC measures, or drafting subordinate legislation, for example. They also act for the government as for a client in litigation and in its role as contractor, employer and landowner. Much of this is handled by the Treasury Solicitor's Department, which employs about 175 lawyers.

The balance of women to men in the GLS and CPS is roughly equal. Civil service policy is to evaluate on merit alone, so a part-time lawyer is not cut out of promotion. Job-sharing is possible.

Some government offices - notably the CPS, the Treasury Solicitor's Office, Customs and Excise and the Inland Revenue - offer articles or the second six months of Bar pupillage to law graduates who show ability and commitment.

The pay for legal trainees is about £13,500 in the first year and £13,800 more in the second. Recruits fare relatively well when compared with private practice, but the pay later on will bring comfort rather than the real affluence attainable by some private lawyers.

An important additional benefit is a good pension scheme requiring no contribution from the employee.

In round figures, the minimum starting salary for a GLS legal officer is now about £19,000 in London, and £15,500 elsewhere. A lawyer in civil service Grade 7 will earn at least £26,700 in London (£21,900 elsewhere), but may earn as much as £37,000 (£31,000) with performance related pay. At Grade 5, the maximum is about £30,000 (£24,000), and the top salary (Grade 2) is about £84,000.

The CPS offers a higher minimum starting salary (£20,000 in Inner London, £16,500 elsewhere), mainly because the crown prosecutor still in training is certain to spend longer at the lowest level than a GLS lawyer. In higher grades, the salaries are pretty much the same.

Other areas of public service worth considering are local government and the magistrates' courts. Local government can involve challenging legal work in intricately regulated areas such as child welfare and mental health, as well as more conventional lawyering.

Further information: Government Legal Service: Martin Briggs, Lawyers' Management Unit, Queen Anne's Chambers, 28 Broadway, London SW1H 9BS, telephone 071-210 3387; Crown Prosecution Service: Barry Hancock, Recruitment Team, CPS, 4 - 12 Queen Anne's Gate, London SW1H 9AZ, telephone 071-273 8172; Foreign and Commonwealth Office: Recruitment Section, Personnel Policy Department, Central Buildings, 4 Matthew Parker Street, London SW1H 9NL; Parliamentary Counsel: First Parliamentary Counsel, 36 Whitehall, London SW1A 2AY, telephone 071-210 6800; Local authorities: (general information) Careers Office, Law Society, 113 Chancery Lane, London WC2A 1PL, telephone 071-242 1222; Magistrates' courts (Greater London and Home Counties) David Simpson, Clerk to the Justices, Court House, Harefield Road, Uxbridge UB8 3PQ, telephone 0895-30771; (rest of England and Wales): Mrs Helen Whittaker, Association of Magistrates Courts, PO Box 1, Town Hall, Leicester LE1 9BE, telephone 0533-62 7833.

Celia Hampton

## Commercial jobs for corporate animals

WORKING "in-house" for a commercial enterprise is an attractive option for the law graduate with an interest in business. The special value to a company of employing a lawyer, rather than calling in a law firm, is the deeper understanding of the business the lawyer will develop.

The work load varies with the company, and even with the lawyer. The sole lawyer in a small company is likely to be a good generalist, while the member of a 30-strong legal department may have scope to become as specialised as any lawyer in private practice.

The work has two aspects: the company's business relations with the outside world, and its own house-keeping, such as property management, and employment, for which the legal work is relatively conventional.

For the company's external relations, a corporate lawyer needs a constructive approach (the company wants to achieve its business goals within the law and to its best advantage - it is not simply waiting to be told its goals are impossible); a good general grasp of business law (the advice even of a specialist lawyer in a company has always to be placed in context); and a measure of self-confidence (the corporate lawyer may be asked for an on-the-spot legal opinion, say, in the middle of delicate commercial negotiations - without time for research).

The particular function filled by a corporate lawyer depends on the business, but in spite of the fact of being employed by the "client", the corporate lawyer acts with professional independence. A solicitor employee will often get an annual practising certificate from the Law Society. UK law allows the company to claim legal professional privilege for its own lawyer's advice.

Continued on next page

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Continued from previous page although European Community law takes the opposite view.

There are still many corporate lawyers being recruited in the UK, but some big companies are cutting back. The cost of employing a lawyer is considerable, since it has to cover an office, support services, reference material, a pension and other benefits as well as salary - items which are included in an outside lawyer's net bill. A rough calculation suggests the cost of employing one middle-ranking staff lawyer would buy some 350-450 hours of outside advice a year. On the other hand, the employee would put in about 1,200 hours and might cost no more than one medium-sized firm in the High Court. There is, however, a trend among big US companies to use outside lawyers.

Because they can represent the company as well as handle legal affairs, corporate lawyers working for the company's external capacity may have to travel more than the typical private practitioner. In multinationals, overseas postings are fairly common.

An aptitude for management is desirable in a corporate culture, and many companies put their lawyers through a form of management training. There may well be opportunities for a lawyer to go into management or business streams, possibly away from the law - an option that is rarely available in private practice.

Sir Denys Henderson, chairman of ICI, and Sir David Steel, a former chairman of British Petroleum, worked their way to the top by using their legal skills.

Companies with a broadly-based legal department may offer articles, and those interested should check with the Law Society. An employed barrister has the professional rights of a solicitor.

Salaries vary widely. Applicants can usually reckon on extra value in the form of non-money benefits such as a pension, car, or share options.

Further information: Companies Law Society, Careers Office, Law Society, 118 Chancery Lane, London

WC2A 1PL, telephone 071-342 1222; BACFI (Bar Association for Commerce, Finance and Industry) (Secretary) Norman Wimpey, 2 Plowden Buildings, Temple, London EC4, telephone 071-553 4937; Recruitment advertising appears weekly in the Law Society's Gazette and each Tuesday in The Times.

Celia Hampton

## Faced with a glittering array of possibilities

CHOOSING a firm for your articles is rather like picking the university or college where you took your degree: it's important, time-consuming and you do not know until too late whether you have it wrong.

The prospective article clerk is faced with a glittering array of possibilities - in private practice, with local government, a magistrate's court or in industry - and since the choice must usually be made long before articles begin, it can seem daunting.

Probably the best place to start looking is The Register of Solicitors Employing Trainees (Roset) - published annually by The Law Society. Roset lists more than 3,000 employers and the type of work they do. If you are interested in working in a particular field of law, this is important, since the type of apprenticeship you receive will vary enormously in, for example, a legal aid firm and in a multinational company.

There are similar disparities in financial rewards. Although The Law Society now stipulates a minimum salary of about £8,500 for clerks, few City firms are offering less than £15,000, with Goldens topping the league at £18,500.

Perhaps even more important is the sponsorship offered. Training to be a solicitor is expensive - the fees alone at The College of Law this year are £3,450. As fewer local authorities award grants, firms are increasingly offering sponsorship, whether

maintenance grants of up to £5,000 a year, payment of fees or low interest loans.

If you have already decided on private practice - as the vast majority of graduates do - there are numerous glossy brochures to consult. Most consist of pictures of a happy article clerk in an obviously new suit while the text extols the virtues of corporate life.

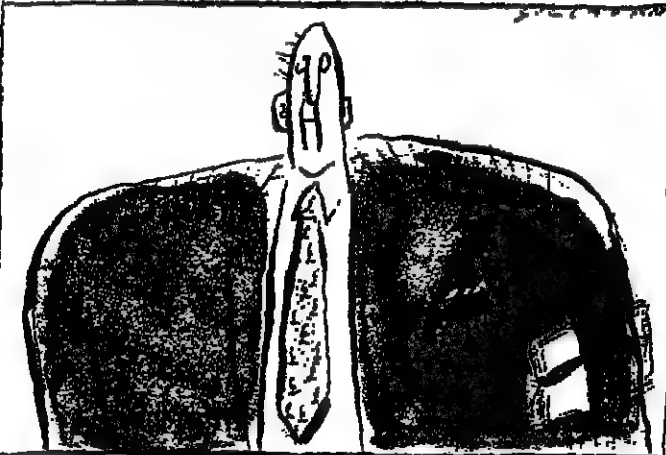
Some, however, do give a sense of the culture of the firm - you may warm to the firm which includes a map with all the nearby wine bars.

Important factors to consider are the size and location of the firm. In recent years, legal life in the provinces has changed significantly and regional firms are increasingly collaborating to provide the training to attract recruits. The MS group, for example,

companionship of up to a 100 other clerks suffering articles with you.

The great advantage of the large practices is that they can devote considerable resources to in-house training, and most provide a structured programme of seminars and courses along with the corporate squash team and annual ball. All have library and information services.

If you are keen on doing a stint abroad, some firms - notably Frere Cholmeley and Freshfields - will organise this. On the downside, although firms tend to proclaim the important part that you, the humble clerk, will play in City-shaking deals, in practice it may be difficult to acquire much responsibility as you move from department to department.



includes firms in Cambridge, Norwich and Bristol.

A great bonus of this type of practice is the breadth of work available, including family and criminal cases. In a small establishment you are far more likely to have early responsibility.

There are also specialist practices, concentrating on trade union law or legal aid work - but remember these are unlikely to offer sponsorships and there is always a danger you will not be asked to stay after articles because the firm cannot afford a new assistant solicitor.

If you feel you are a corporate animal, choose a City firm. City firms are big - the top 100 take more than a third of all graduates sitting the finals examination and you are likely to have the

It is worth remembering that nearly all City firms run vacation schemes which provide an excellent - and often well paid - taster of life in the office. Competition for such schemes is, however, fierce, so investigate them early in your second year.

Having decided on the types of practice, get your six to eight applications in fast. The much publicised crisis in article clerk recruitment is over, and the feeling is that this year there will be a surplus of graduates seeking articles. The Law Society Code of Practice stipulates that no interviews may take place before September 1 in the final year of degree studies - but that means getting your applications sorted out before you start your third year. Smaller firms and those in

provinces do, however, recruit later in the season.

Then come the interviews. Few recruitment partners have been trained for the job, and interviews tend to be relaxed and informal, often half an hour with two partners.

Gradually, however, recruitment is becoming more professional. Last year Linklaters & Paines greeted interviewees with a personalised computerised half-day schedule involving three separate interviews, chocolate biscuits and a complicated form which the interviewees seemed to have enormous difficulty filling in. They also tick boxes as they talk to you at Macfarlanes, and operate a system of second interviews. Stephenson Harwood provided its own form of torture last year: a lunch with other interviewees and partners involving a rather unappetising fish pie.

Questions tend to be standard: Why law? Why this firm? Be warned, however, that some firms make a point of including a law-type question, such as the role of the law in combating AIDS.

Each year there seems to be the trick question which flies round the circuit: consult your friends. Last year, candidates were asked to explain a credit card to a four-year-old - complete with role play from the interviewer/child. Interviews are often rounded off by a tour of the offices with a contented article clerk. This can be useful but it depends on the honesty of your guide.

Of course, sadly, before you too can become a real clerk, there is the last great hurdle to leap - the Law Society finals course. The system is changing, and it is likely that by 1993 budding lawyers will be spared the ordeal, but for now the rule of terror continues. Few who have experienced this can think of a single positive thing to say. It is aggressively practical yet also, in the words of one law lecturer teaching it, like "taking 20 O-levels in nine months". But it is worth working hard - as the recession hits, it seems certain firms will not look kindly on article clerks who repeatedly fail the course.

Sarah King

## Stop, start, alter course, accelerate or cruise

THE BEAUTY of the legal profession for women (and for men) is that it is so accommodating. There is something in it for everyone, and you can enter it - or return to it - at any age.

If you do not like one activity you can move over to another. If your life needs a little lulling there is peace to be found in paperwork; if you want to push and shove you will be in good company; if you want to use your brain there is plenty of scope; if you want just to talk, you can.

For a woman contemplating a career and a family, the law is ideal because you can start fast, go slow, stop, start again, change direction, pick up speed, and then go on till you are a ripe old age - in your 50s as a law reporter, in your 70s as a judge.

A legal qualification does not lead only to a life on your feet in court or sitting in an office looking at wills. It can lead to industry, lecturing, publishing, journalism, the civil service. One can be a magistrate's clerk; or those who choose the conventional route of court appearance or the solicitor's office can look forward to a proper career structure culminating in the bench or partnership.

Barbara Calvert, who set up her own chambers in 1974, took silk in 1975, became a recorder in 1976, started sitting as a deputy High Court judge in 1978 as well as in the County Court and the Crown Court, and who is now a full-time chairman of industrial tribunals, did not start her legal career until she was 35.

She says: "Whether you're a man or a woman, if you're going to be successful you need a certain amount of luck and a lot of very hard work, and it's more difficult when you've got children because you have to pedal slowly for a few years."

But pedal slowly you can. "I would not have missed my 10 years at home for anything,"

says Barbara, "although at times I thought if I saw another duck in St James's Park I'd go barmy."

Leah Harris pedalled slowly by law reporting part-time until her three children were in their teens. Then, at the age of 44, she switched over from the bar to become a solicitor. She now has her own firm, run from her home in north London, and handles family law, conveyancing, probate, personal injuries, and general litigation.

How does she enjoy it? "It's lovely," she says. "It's a super career. It's interesting, fascinating, fulfilling - you're in constant touch with people. You're actually performing a service - sometimes. Women are totally accepted. I'm my own boss, responsible to no-one except my clients."

Ingrid Dow, editor of Atkins Court Forms, has not stopped work, except for maternity leave, since she started with Butterworths in 1973. She qualified as a barrister at 22, practised in Trinidad for six months, did advisory civil litigation work for another six months, and then came back to the UK and has been in legal publishing ever since.

Her first child was born in 1981, on the way to work. Living two doors from the office, she popped home every lunchtime for six months to breast-feed the baby. The same comfortable arrangement was made when the second child was born in 1985.

After 18 years in publishing, Ingrid has no regrets. "It keeps one in close contact with the profession. Unlike the bar, you know where you're working each week and how long for, and you know your pay will



Anne Ruff: don't drop out if you're planning a family

come in at the end of the month. It's well paid and the holidays are good."

She would recommend it to any legally qualified woman contemplating a family. "It's a job where you don't need to neglect your family or your work," she says. "It's a harmonious relationship." The facts that she lives next door to the office, and has had the same daily nanny since the children were born, have, of course, helped. And, she says, "I could not have had a more considerate company to work for."

Anne Ruff is an academic. She took her masters degree in law in 1974, then did teacher's training, and has lectured at Middlesex Polytechnic since 1976. Her first child was born in 1979 and two more followed. She was called to the bar in 1989 but continues to lecture.

The advantage of teaching for mothers, she says, is the flexibility of the working week and the holidays. Also more and more institutions are employing women (and sometimes men) on "fractional" appointments. Until she had her third child Anne worked full-time. Then the polytechnic agreed a "temporary variation" of her contract, permitting her to work half-time on half pay for four years, after which she goes back on full-time.

The advantage of a fractional appointment is that one gets the agreed fraction of all increments, holidays and sick pay, whereas part-time teaching is paid only on an hourly basis. There is no loss of security. One remains part of the established staff.

Anne, though a half-timer, is course leader for the Common Professional Exams for non-law graduates starting in September, and when she goes back full-time there will have been no break in her career development.

Her advice to any woman lawyer who contemplates a family would be to keep the job going in some form or another, either by part-time or half-time work. "Don't drop out altogether. You get back in, but it's harder."

The current intake into the profession is healthy. In 1989 50.2 per cent of qualifying solicitors were

Continued on next page

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**FINANCIAL TIMES**  
EUROPE'S BUSINESS NEWSPAPER

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Continued from previous page  
women, and 38 per cent of people called to the Bar were women.

At the top of the career structure, however, proportions remain disappointing.

Out of a total of 126 circuit judges appointed between 1988 and 1990, only 5 are women. There is only one female High Court judge. Her appointment is in the Family Division and simply does not reflect the high proportion of highly competent and experienced women with years of practice in family law. A second female appointment in the Family Division has just been approved. There is only one female judge in the Court of Appeal, and none at all in the House of Lords.

As far as solicitors are concerned also, the proportion of women partners is small. There are 52,399 practising solicitors - 41,396 men and 11,003 women. Over the 10 years from July 1979 to July 1989 a total of 17,293 solicitors were admitted, comprised of 12,159 men (70.31 per cent), 4,881 women (28.63 per cent) and, according to the Law Society, 253 (1.46 per cent) of unknown sex. Out of that total 6,690 men (88.63 per cent) and 1,697 women (9.81 per cent) are now partners - and there are 45 partners (26 per cent) of unknown sex.

Women should not be daunted. In 10 or 15 years' time the present healthy intake will have dug itself in to produce equally healthy figures at the top. Men get more and more used to women as time goes by.

Rachel Davies  
LOCAL AUTHORITIES

## Flexible advantage on home ground

LOCAL government is still frequently viewed as a bureaucratic backwater where pay and working conditions fall far behind those in the private sector, and where the compensations are hard to spot.

But with demographic changes affecting employment patterns, and ever fiercer competition from the private sector, this image must change if local authorities are to have any hope of attracting the calibre of graduates the importance and range of their work demands.

Late in the day it may be, but the problems of recruitment and retention are now being addressed coherently by local government leaders, and a concerted attempt is being made to "sell" the range of advantages a career in local administration can have.

"Anyone wanting a career in a dreary backwater should not choose local government," says Mr Alf Sorrell, personnel officer for Brentwood District Council in Essex. "It is now a more challenging job than it used to be, and there are broad and rewarding career choices."

The image difficulties are largely the result of increasing politicisation of local government, characterised by the bitter conflict between the government and high-spending Labour-run councils.

It has been an uncomfortable, unsettling decade, and with more plans for reform under review by

Conservative and Labour party strategists, there are few signs that a period of consolidation and stability is in prospect.

On a practical level, undergraduates seeking a career in local government have been faced with a bewildering array of choices and a lack of advice. With several hundred potential employers, there have been as many employment policies. A fundamental problem is that, unlike the civil service, there is no clear career structure. Separate careers in education, social services, legal and technical services, or general administration have been the norm.

Two moves have been launched to help solve the twin problems of a poor image and growing skill shortages. First, a group of metropolitan authorities - those running the bigger cities - banded together 18 months ago to form the Metropolitan Recruitment Agency (Metra).

Second, the Local Government Management Board is to start operating next April when the merging of the Local Government Training Board and the employers' body LACSAB (Local Authorities' Conditions of Service Advisory Board) is completed.

Metra's objectives are to show undergraduates and other potential employees there is a worthwhile career in local government; to help recruit with specific recruitment needs by setting up a skills data base; to mount recruitment campaigns in target areas such as undergraduates, women or older workers; and to promote the best recruitment practices.

The first challenge has been to attract graduates of the right calibre, so Metra now holds recruitment fairs and

goes on the milk round to universities and colleges.

Mr Carl Gilleard, director of Metra, says: "It was a very pleasant surprise. It told me that despite that last 10 years of change and the conflict between central and local government, and the negative image, there is still a strong commitment to serve the community."

A sponsorship package aimed at final-year students has been devised to attract much-needed specialist skills as well as arts graduates seeking more general management training. The package consists of £1,500 in cash, eight weeks' paid work in the last summer vacation before finals, and a guaranteed job on graduation.

The sponsorship scheme has won the support of county and district councils as well as 31 of the metropolitan authorities that originally set up Metra. Around 50 sponsorships are on offer this year and possibly 100 next year.

Like Metra, one of the Local Government Management Board's main tasks will be to improve the image of local government as an employer, although Mr Michael Clarke, the board's first chief executive, stresses it will still be up to individual local authorities to show they are good employers.

The Board will seek to take a national lead for local government across the field of recruitment and retention of staff and will work closely with the three associations representing metropolitan, county and district authorities.

Salary scales have undoubtedly been a problem, with the widespread perception that public sector remuneration has lagged far behind private industry.

There has recently been more flexibility, however, as 50 local authorities have pulled out of national pay bargaining and are now able to set their own salary levels.

There is no set pattern to salaries in the civil service, but a young graduate, possibly working for a further professional qualification, can expect to start on £9,000 to £11,000 a year depending on the local authority.

In certain specialist areas such as the law and information technology, the starting salary in the London area could be £12,000 or more. At the top of the tree, the chief executive of a large local authority earns more than £70,000 and runs the equivalent of a big company.

To compete with the private sector, many local authorities are offering senior staff leased cars and help with mortgages and rail fares.

One advantage not sufficiently considered is the tremendous flexibility local government employment brings, particularly for those opting for a career break to bring up a family, or for those wanting to work in a particular part of the country.

Further information: Metropolitan Recruitment Agency, PO Box 1540, Homer Road, Solihull, West Midlands, B91 3PQ; Local Government Training Board, Arndale House, Arndale Centre, Luton, LU1 2TS; Association of County Councils, Eaton House, 66a Eaton Square, London, SW1W 9BB; Association of District Councils, 26 Chapter Street, London SW1P 3ND; Association of Metropolitan Authorities, 95 Great Smith Street, London SW1P 3BZ.

Richard Evans

## M

MANAGEMENT  
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### MANAGEMENT CONSULTANCY

## Beware tales of speed and glamour

"I WORK about 10 hours a day at the moment - we're going through a quiet spell," says Carolyn Forrester.

Ms Forrester joined Andersen Consulting, an international consultancy best known for its work in information technology, two years ago after graduating from Exeter University with an English degree. In September she will be made a consultant.

Mark Oakes, a colleague, joined Andersen just a year ago, after graduating from Cambridge University with a degree in chemistry, and is still an associate consultant. He is working about 14 hours a day. They are part of a team which is putting together a computer system, due to become operational in October, for Associated Newspapers.

Management consultancy has recently been one of the most attractive careers for graduates. A certain cachet attends to consultancy; it is a career shrouded in glamour, stories of high pay, foreign travel and fast lifestyle.

Ms Forrester and Mr Oakes agree that the image of consultancy is different from its practice. They emphasise the hard work and demanding nature of the job as well as the fun and the challenge.

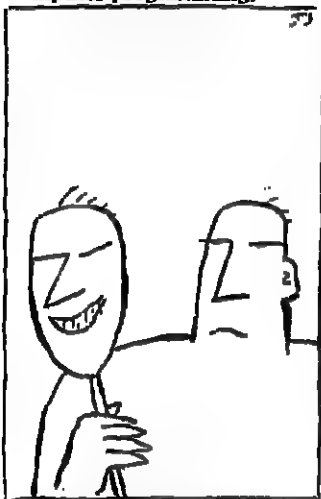
Andersen puts a lot of effort into training. Recruits spend the first six weeks learning foundation skills in computing, and then applying them by doing a case study at Andersen's training centre at St Charles, Illinois. Over the first four years, recruits do courses on business practices, system installation and design, and client services.

Ernst and Young takes a different approach. It hires about a dozen graduates, for a fixed term of two years. Called research assistants,

they are assigned research tasks as well as doing some client work across a broad range of the firm's activities.

John Crawshaw, director of support services at Ernst and Young, says the firm views the research assistant job as an extension of a graduate's education "on the basis that many graduates do not know what they want to do". After two years, the graduates are placed with clients or go on to study for a masters degree in business administration, sponsored by the company.

Many of the large consultancies emphasise information technology. Price Waterhouse, which hired 130 graduates last year and plans to recruit 150 this year, puts them all through 18 months of IT training, involving computer programming.



systems analysis and design. The firm, which recruits from a broad range of universities and polytechnics, plans to promote its recruits to consultant level after five years.

PA Consulting also sends many of its recruits down the IT track. Last year 30 graduates were recruited, and this year it plans to take on 20 in the face of a slower economy. Three quarters of these will be channelled into its IT practice; the rest into strategy consultancy.

"We believe we can offer long-term career prospects, but a sizeable proportion of our graduates do leave us," says Dick White, PA's man in charge of recruitment. "But we do not take the view that graduates are low-cost fee earners."

According to Mr White, the main factor that makes for high turnover among graduates is that they do not get line managerial experience. "To many they see this as a major gap in their CV and that's the reason why they leave; they want to fill a gap."

An entirely different kind of consultancy is the Boston Consulting Group, which practises strategy consulting - high level advice about where to go and how.

BCG takes eight to 10 graduates a year from the 150 it interviews. It looks for academic high achievers who have participated fully in student life.

Typically a BCG graduate will spend two years with the firm then be placed with a client in industry for a year and, if all goes well, be sponsored for an MBA.

Management consultants pay well because they want the best graduates. First year graduates can earn anywhere from £15,500 to £19,000, depending on whether they join a general consultancy or a strategist. Future rewards are even better.

Many graduates find that the reality is more mundane than the promised glamour. Graduates are sometimes used as cheap number crunchers who are pushed out after a few years. The experience can be embittering.

The principle of *caveat emptor* applies as much to the appraisal of products as it does to employers. There is, therefore, no substitute for finding out from employers what they expect. Before accepting an offer it is worth talking to those for whom one will work and assess the working conditions.

Further information: Institute of Management Consultants, 32 Hatten Gdns, EC1 (Tel 071-242 21409). IMC will provide general information on management consulting but not careers advice; Management Consultants Association, 11 West Halkin St, SW1 (Tel 071-235 3897). Represents most of the big consultancies but not the strategists. Its membership list may prove helpful but the MCA does not offer career advice.

Simon Holberton

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## MARKETING

## Accent is on selling ideas unlimited

"HOW are you going to enjoy talking for a living?" That is the first question graduates thinking of a career in marketing should ask themselves, says Martin Duffell, head of management recruitment for Unilever.

"Many graduates seem to think marketing is a purely mental activity," he says. "But it is no use having a thousand good ideas if you cannot get them implemented. You have got to be able to sell ideas, persuade people into accepting them."

Peter Lester, of Whitbread, the brewer and retailer, says: "Many seem to believe that marketing is all about making humorous ads for Heineken. They are not aware of the basic organisational skills involved, the analysis, the planning."

Marketing covers such a wide range of activities, from product design to sales promotion, that it is little wonder misconceptions persist in spite of the fact that marketing now ranks, with media, advertising, merchant banking, and management consultancy, among the most popular career choices.

Some experience of the job, or a thorough grounding in what it entails, is likely to help in making a good first impression, at least, and first impressions can be vital.

The Chartered Institute of Marketing, which runs a one-year, part-time marketing diploma course for graduates, can provide further information.

The fast-moving consumer goods companies, such as Unilever, Procter & Gamble, and Mars, where the marketing culture is deeply ingrained, still provide the most popular openings. Unilever, probably the country's largest marketing recruiter, had more than 1,500 applicants for 50 posts last year.

The basic business truth that the market place determines whether a company is successful is much more widely recognised in British industry. More and more industries are following the example of the makers of soaps and detergents, food and drinks, toiletries, cosmetics, and confectionery.

There has been a surge in marketing activity by financial institutions - banks, building societies and insurance companies. NatWest this year recruited half a dozen graduates for marketing posts.

Marketing awareness is filtering down to industrial giants, such as ICI, to medium-sized and smaller companies.

Football clubs, charities, accountants, lawyers and some universities are using marketing techniques.

The demand for marketing expertise has fostered a fast-growing services industry: independent specialist companies supplying market research, computerised consumer databases, direct mail, telephone marketing, and sales promotion.

More opportunities are now available here for graduate entrants, though they are not always well advertised and training is rarely well structured.

Most of the leading marketing recruiters do the rounds of the universities and polytechnics. Unilever this year recruited from more than a score of institutions - and from across as many disciplines.

Graduates in history, geography, economics, law, physiology, chemical engineering, Arabic, French, German, design and technology, as well as business studies were among those offered jobs. Just one post went to a marketing graduate.

Of the successful applicants, 42 per cent were women, evidence of the generally higher profile women are enjoying in the profession.

Except for some technical areas, Mr Duffell says a degree subject is less important than personal abilities such as communication and analytical skills, an original and well-ordered mind - "Nothing punishes sloppy thinking more fiercely than the market. Numeracy is essential; ability to speak a foreign language a bonus."

Unilever's starting salary in London this year was £15,500; in other London about £14,000; and £12,750 in the provinces.

Graduates are attached to a brand management team for a two-year training period. They are assigned to a variety of projects, from checking the legal requirements of product labelling to drawing up a brief for an advertising agency. The programme also includes an intensive business education course and brief secondments to other company departments.

After the two years, the first appointment is usually as manager of one of the company's smaller brands, with responsibility for the marketing effort to increase the brand's market share and profitability.

Marketers are increasingly making their way through general management to the chief executive's desk. But with some years of experience, there are opportunities to move from one sector of industry to another, to go into advertising or other specialised marketing services.

There is great job mobility among marketing professionals. One recent survey found that two-thirds of marketing executives had held their present jobs for less than three years, and nearly half had been appointed from outside the company. Further information: Chartered Institute of Marketing, Moor Hall, Cookham, Maidenhead, Berks SL6 9QH.

Philip Rawstone

## MATHEMATICS

## An open sesame for the figure conscious

MATHEMATICIANS are often derided as introverts in dufl coat whose field of study is a closed system bearing little relation to the real world.

In fact, a degree in mathematics opens a surprisingly wide range of career opportunities, across manufacturing industry, the services sector and government. As the Mathematical Association states, "graduates can apply mathematics in all branches of engineering: civil, mechanical, electrical, electronic, chemical, telecommunications; in the production of all forms of energy; in transport; and in distribution, both wholesale and retail."

Many mathematicians will admittedly be inclined to follow obvious career paths. Teaching mathematics is not very well paid, but probably for that reason education authorities around the country are crying out for people able to teach classes in the subject.

A mathematics degree is not a requirement for entry into the accountancy profession, but obviously numeracy is a great help. The early years of accountancy training are frequently consumed by the mind-numbing task of poring over the minutiae of company accounts. The potential rewards are, of course, much greater than those for teaching.

For those seeking a wider field, much will depend on the branch of mathematics in which the graduate specialises. Those who have studied applied mathematics might find that engineering companies offer an attractive home. For example, Mrs Sheila Shipton, the honorary assistant secretary (careers information) of the Mathematical Association, started her career with Rolls-Royce. Designing new aircraft engines is an incredibly complex task involving large numbers of mathematical calculations.

Statisticians have a particularly wide range of careers from which to choose. The Civil Service is the largest employer of statisticians in the UK. Apart from the endless task of devising new ways to calculate a drop in the unemployment figures, statisticians can be involved in the population census, the Family Expenditure Survey and the compilation and assessment of other data which the government needs to devise its economic and social policies. Local government also has a large requirement for statisticians.

But opportunities are not solely concentrated in the public sector. The Institute of Statisticians lists a large number of organisations with statistical departments. In industry, British Steel, ICI, and Unilever all have statistical sections.

Quality control is often an important field for statisticians working in industry, defining precise standards to ensure that products conform to consumer desires. Statisticians can also be used to ensure that factories are working efficiently.

In market research organisations with statistical departments include the BBC, J Walter Thompson and NOP. Many manufacturers also have their own market research departments, but the Institute of Statisticians warns that joining such a company may result in limited experience of the sophisticated techniques involved, since much of the work may be contracted out to specialist companies. The Institute recommends that "ideal training would be two or three years with a general research organisation followed by a similar period in the market research department of a large manufacturing organisation."

Less obvious outlets for statistical expertise include biometry, the science of the application of statistical methods to biological facts. Active in this area are the Agricultural Research Commission, the British Museum's Natural History Department, the Forestry Commission and the Nature Conservancy Council.

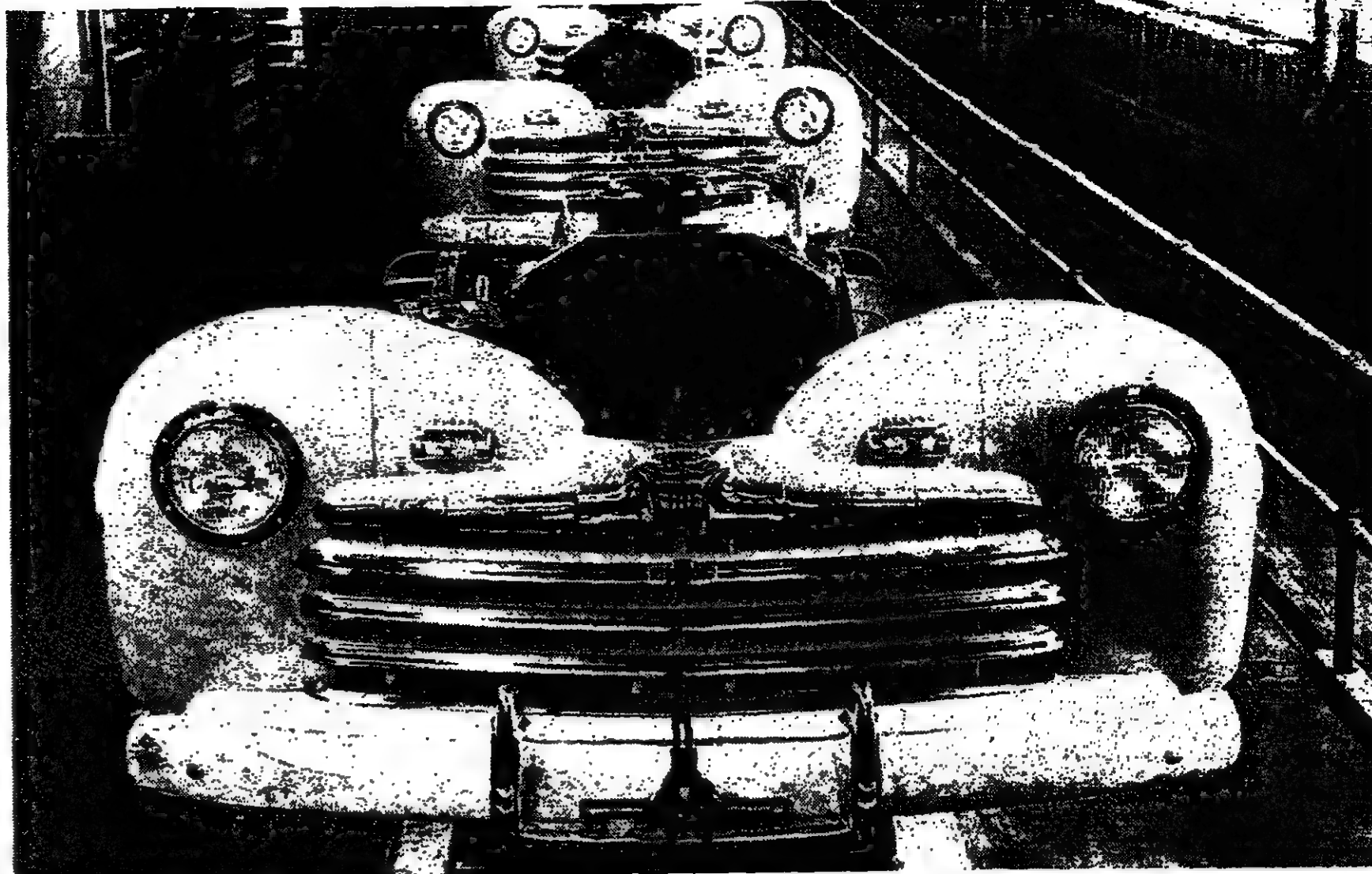
The world of medicine also has a healthy appetite for statistics. Large drug companies such as Glaxo, SmithKline Beecham and Wellcome have statistical departments, as do many large hospitals and the Medical Research Council.

Mathematicians often find homes in the financial sector. One lucrative bolt-hole is the actuarial profession, which conducts detailed assessment of the assets and liabilities of insurance companies and pension funds. Training to be an actuary is hard - it takes more than seven years, on average, to pass the exams - and there are only 3,400 actuaries in Britain.

Another City outlet for mathematicians is that of a backroom boffin, or "rocket scientist" devising new products for merchant banks. Financial instruments have long since ceased to be divided into neat categories like stocks and bonds. Many instruments are hybrids between the two, which trade off lower interest rates for the prospect of a profit through a higher share price. The complexities of foreign exchange movements and tax avoidance often make the equation even more complicated.

In addition, there are many risk management instruments - interest rate and currency swaps, options and futures to name a few - designed to offer investors and corporations protection against adverse exchange rate, interest rate and share price movements. Traders of these instruments are forever trying to spot and exploit pricing anomalies between the various markets - the process known as arbitrage. A fair knowledge of mathematics is an advantage when, say, devising a pricing model for an option to convert Japanese yen into US dollars with a five-year exercise period.

Although the City has been suffering from over-expansion in the mid-1980s, the quick-witted should still be able to find a well-paid post.



By the 21st century, the "intelligent" car controlled by a computer will have superseded the models of old driven by humble humans

## MOTOR INDUSTRY

## On the road to a brighter future

THE MOTOR industry in the UK is looking to the decade of the 1990s in an expansive mood in spite of the setbacks inflicted in the past 12 months by high interest rates and the economic squeeze.

Opportunities for graduates in the sector, one of the world's biggest users of high technology, are brighter than for many years.

Output of cars is expected to rise faster in the UK in the coming decade than anywhere else in Europe, helped by heavy investment by Japan's three leading car makers, Toyota, Nissan and Honda. At the same time sweeping rationalisation measures, increasing investment and five successive years of record car sales have combined to bring the motor industry to a more robust state of financial health.

The long years of losses at Vauxhall, the UK subsidiary of General Motors, and at Peugeot Talbot, the UK subsidiary of Peugeot of France, were ended in the second half of the 1980s, and both companies enjoyed record profits last year.

Rover, still the biggest car maker in the UK, appears to have found firm ground in its alliance with Honda after being returned to the private sector with its takeover by British Aerospace in 1986. At the same time Ford, which dominates the UK new car market with a share of more than 25 per cent, remains firmly committed to its UK manufacturing base with a far-reaching investment programme and its ELAB takeover of Jaguar, the UK luxury car maker.

Certainly the downturn in the domestic UK new car and commercial vehicles markets during the past 12 months has exacted a financial toll with intensified competition and squeezed margins.

However, the sharp improvement in quality and productivity achieved by car makers in the UK in recent years has helped to close the gap with assembly plants in continental Europe. As a result the multinational automotive groups are increasingly prepared to use their UK plants as a source of supply to continental European markets as well as to the UK, which should help to cushion the British car industry from a sharp downturn in the domestic market.

Nissan, Toyota and Honda have all chosen the UK as the location for their first European car assembly plants, and General Motors is investing £160m to build a new engine plant at its Ellesmere Port plant in Cheshire.

According to Mr Paul Tosch, chairman and managing director of Vauxhall, "the modern, high-tech motor industry of the 1990s has much to offer ambitious graduates - not least the breadth of opportunity offered in the industry through a great diversity of career paths."

The motor industry in the UK and worldwide has been, and is still being, drastically restructured, with the result that graduates seeking employment in the sector would enter one of the world's most international industries. The need to operate as global players is one of the most

remains of a "UK-owned" auto industry, opportunities should abound in the 1990s to enter the international automotive industry through the UK operations of the world players.

The world's two biggest car makers, General Motors and Ford, are well established in the UK, and the three leading Japanese players will all be expanding rapidly in the UK. While the first step for the Japanese is to build up manufacturing operations, it is clear, at least in the case of Nissan, that the UK is also to become its main European base for its design and engineering operations.

Nissan is establishing two centres for design and development in the UK as part of a £20m investment, which will create more than 350 new jobs. Nissan European Technology Centre, the company which will form the European link in the company's planned global research and development network, is to locate its main operation at the planned technology park at Cranfield Institute of Technology in Bedfordshire. A second operation will be established at the company's existing £60m car assembly plant site in Sunderland.

Ford has recruited around 280 graduates in 1990, a record number, up from 215 in 1989 and 158 a year earlier. Of the total in 1989 70 were computer specialists and 66 were engineering graduates. Some 39 were Ford-sponsored graduates. Ford sponsors around 200 students, mainly in engineering and computer-related disciplines, although it is also increasingly sponsoring MBA students.

Vauxhall, which recruited 50 graduates last year, 30 more than in 1988, maintains that opportunities for graduates in the motor industry span a wide range of disciplines. Sales and marketing recruit from business studies, economics, accountancy and mechanical engineering graduates. Personnel would tend to look to business studies and psychology, while production recruits from mechanical engineering, production engineering, manufacturing technology, electrical/electronic engineering, business studies and economics.

Vauxhall maintains that it takes a flexible approach to the deployment of graduates within the company, with the general abilities of a candidate often outweighing consideration of the specific type of degree held. It cites the recent example of three biochemists recruited to its finance department, where the graduates' analytical abilities made them well suited to the department's needs.

The minimum salary paid by Ford to a newly qualified first degree graduate is £13,082, rising to £14,977 after 18 months.

Further information: Society of Motor Manufacturers and Traders, Forbes House, Halkin Street, London SW1X 7DS. Tel 071-225 7000; Rover Group, Canley Road, Coventry, CV5 9QX. Tel 0203-675 511; Ford of Britain, Brentwood, Essex, CM15 9EW. Tel 0877-353 000; Vauxhall Motors, Griffin House, PO Box 3, Osborne Road, Luton, LU1 3YT. Tel 0582-426 926; Peugeot Talbot, International House, PO Box 712, Bickenhill Lane, Marston Green, Birmingham, B37 7EZ. Tel 021-781 4400; Nissan Motor Manufacturing UK, Washington Road, Sunderland, Tyne and Wear, SR5 3NS. Tel 091-415 0000; Jaguar Cars, Browns Lane, Alseley, Coventry, CV8 2DR. Tel 0203-40 1121.

## Forget about oily rags and widgets

DO NOT be misled by the humdrum-sounding term "motor components".

The image it conjures up, of machine shops producing a stream of boring widgets to the precise blueprints of the vehicle makers, is unrepresentative and hopelessly outdated.

In reality, the components industry is large, complex and potentially highly rewarding for graduates across a very broad range of disciplines. There are several main reasons for this. The vehicle makers are coming to regard themselves as primarily assemblers of component systems. Increasingly, they are transferring the burden of design, development and manufacture of even the most complex component systems and sub-systems to external suppliers, with whom they have been establishing sophisticated data exchange links.

Cars and trucks, by their very nature, are complex - and are becoming more so under the pressures of intensified competition and legislative demands, such as those concerned with reducing exhaust emissions. There is hardly an area of scientific, technological or engineering activity which vehicles do not embrace. Electronics, for example, is playing an increasingly crucial role.

On-board computers already control such systems as fuel injection and ignition timing, anti-skid brakes and some advanced automatic gearboxes. By 2000, the industry expects the "intelligent" car to have arrived, in which virtually all its systems - perhaps even the steering - will be controlled by a computer.

There is the search for and development of new materials which might perform required tasks more efficiently than conventional metals - as just one example among hundreds, the successful replacement of heavy steel truck springs by plastic composites which last much longer and weigh less than half as much.

It is an industry, in short, in which the larger players have moved substantially from being order-fillers to active innovators. GKN, one of the biggest UK industrial groups, has gone so far as to set up task forces, under the name

Project Extra to seek out systematically inventors in Europe and North America with good ideas but no resources, so that worthwhile innovations can be developed on a partnership basis.

It should be clear from all this that the components industry is capable of absorbing graduates from disciplines ranging from chemistry - for example, the chemicals giants Dow, Dupont and GE all have large automotive divisions researching areas such as plastic-bodied cars of the future - through metallurgy to electronics.

Not too many years ago, a decision to enter the sector would probably have meant a graduate spending an early career stint in the UK. Now, the motor industry is well down the road towards "globalisation" - a car may be designed in one country, assembled in several others, and its key components, such as engines and transmissions, may come from half a world away. Cars and vans built at Vauxhall's UK plants, for example, have had some of their body panels produced from UK steel in West Germany and Australia, while gearboxes have come from the Philippines.

The big component makers have inevitably followed the vehicle makers themselves into globalisation. All the big UK component makers, such as GKN, Lucas Industries, T & N and others have long since established technical and manufacturing centres in North America and elsewhere to be participants in the motor industry's global chess game.

Not least, after years of decline, the UK-based, if not owned, motor industry is on a firmly expansionary course again. From a 1980s low point of 880,000 cars produced in 1982, the industry is now expected to be producing at least 2m new cars a year by the mid-1990s as Peugeot and Nissan production expands, and Toyota and Honda plants come on stream.

There is a steady influx of new companies to expand the components sector. Nippondenso of Japan and Magneti Marelli of Italy are setting up a \$65m joint venture at Telford, for example, while Robert Bosch, the West German electronics giant, is well advanced with what will be a very large components complex in Wales.

Overall, the sector really does not deserve the relatively low-status image which still clings in the UK.

The career variety aspect of the business is stressed by Bill Clarkson, training

Continued on next page

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مركز المعلومات



The components industry would also like to see more women graduates in the field. They blame the uniquely British "oily rag" image of engineering as the main deterrent. It continues to make recruitment difficult, particularly given that the components industry is expanding at the same time as the absolute number of new graduates is shrinking. Indeed, the shortage is such that some

room for them in the competitive and professional climate of the 1990s, particularly after 1992. Increasingly, the motor trade is being conducted by large public groups, answerable to shareholders and subject to the rules of the Stock Exchange. They are of growing interest to graduates because they have well developed management structures in which career advancement is more linked to graduates

Suprisingly, given the spuriously macho image still clinging to the trade, women comprised one-third of Lex's graduate intake last year. All graduates are put

**OIL**

The industry has had bad publicity over its environmental record, but the



And the oil companies pay and generally treat their employees well. A starting engineer may be offered a salary not far below £15,000 a year, although arts graduates should expect somewhat less than this. Salaries can rise fairly rapidly. Expect to earn between £20,000 and £35,000 in five years, and an average in the low 80s after ten. Talented people get fast promotions, lots of responsibility and bigger salaries. Oil companies like to throw people into "real" jobs quickly, but they offer

If Shell is the company for the team player, BP is better for the individualist. BP employees often seem to be jostling against each other and their competitors as well. Many BP employees would

Esso, the third biggest recruiter, is by contrast a subsidiary of the US oil company Exxon. While Esso is trying to create more international opportunities for its UK employees, employment at Esso is more likely to resemble working for a home-based company. Although Esso has large investments in the North Sea, these are managed by Shell, and Esso may be slightly less attractive to anyone wanting to get his or her fingers oily looking for the stuff or producing it. Esso likes to think of itself as the most informal and easy going of the big three, but its 1991 turnover was 40 per cent last year.

These are the biggest recruiters, but for good hands-on experience in the oil industry, also look carefully at companies like Mobil, Chevron or Conoco.

A big oil company offers a wealth of career opportunities internally. But for anyone who gets in only to find that big company life does not suit them, working at Big Oil is a good passport to employment elsewhere. Hundreds of small companies in the oil industry are always looking to hire people with experience.

Further information: UK Offshore Operators Association, telephone 071-589 5255.

**Steven Butler**

**There is an inexhaustible supply of jobs for bright graduates in the motor trade**

There is plenty of proof of this. The chief executive of BBA, for example, started his career with the company as a graduate recruit.

**Further information:** Society of Motor Manufacturers and Traders, Forbes House, Halfon Street, London SW1X 7DS; Institution of Mechanical Engineers, 1 Birdcage Walk, Westminster, London SW1E 9JQ; Institute of the Motor Industry, Finsbury, Brickendon, Bedford SG15 8PG.

**John Griffiths**

Mr Lancaster, like the heads of other large dealer groups, is conscious of the slow rate at which the trade's poor image is changing. So, too, is Lex Service, among the largest vehicle retailing and distribution groups in the UK. It has more than 60 dealers selling various makes of car and truck, has the Volvo import concession for the UK, and is also engaged in providing industrial services and computer systems, as well as manufacturing electronic components. Lex, in a self-proclaimed attempt "to

At entry level, the motor trade is neither among the worst nor best in terms of pay - typically between £11,000 and £12,000. On successful completion of training, the individual choice made in terms of next steps - whether as a sales manager in a smaller dealership or as part of an

Since dealerships operate throughout the country, it is easy to get a small-town posting with the benefits of that way of life. And as Europe integrates and more pan-European dealerships are set up, so the chances for postings abroad will increase. The Inchcape group, for one, is already acquiring Continental dealers through its Mann Egerton subsidiary. The main drawback, likely to remain for some time, is that slightly old-fashioned look which can come in response to your announcement that you're in "the motor trade..."

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## For those who like the fast lane

THE oil industry may appear from the outside as a monolith of giant bureaucracies with tentacles reaching around the globe. This is unfair to the big companies, but it truly misrepresents the grand buccaneering tradition of oil exploration.

This tradition lives on in smaller independent oil companies, such as Enterprise Oil, Lasso, or Clyde. These companies will not turn up on campus this autumn to recruit graduates, but they will hire a small number of graduates. Just as important for anyone interested in the oil exploration side of the business - from finance to geology - these companies offer good long-term prospects for anyone with experience.

Exploring for oil is a science, but doing it well takes creativity and the ability to

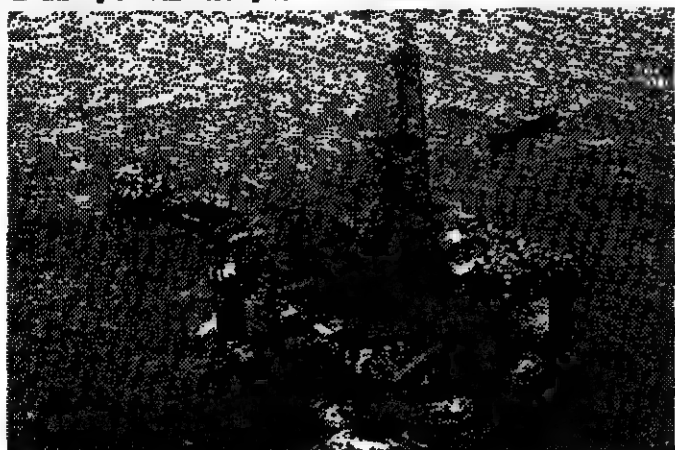
and is worth more than \$3bn. It is a big company in Britain, but still very small for an oil company, with a few hundred employees. Because of the small size, Enterprise has not had the resources to train people from scratch, but it has now started taking some people out of school.

Anyone who joins the company will be thrown in at the deep end. The idea is to put a recruit in a team at the centre of the business, and leave open the possibilities for more formalised training.

A graduate going into finance at the company may start below £13,000, but this could rise rapidly to £25,000 plus a car after a few years when professional qualifications are received. Engineering graduates can start above £15,000. Some employees in their early 30s may earn as much as £45,000, but the salary differentials at Enterprise are big because pay is based on performance.

Enterprise tries to keep the pressure on employees. It wants no complacency, but will reward them well.

"We're playing to win," says John Walmsley, managing director.



Oil platform: first step on the management ladder

use precise analytic tools in different types of geology. The management side of the business can be nearly as interesting, because the complexity of oil tax and finance leaves scope for making creative deals.

For these reasons, many oil industry professionals prefer to work in a smaller company where there is less bureaucracy, decisions can be made faster, and where it is possible for an individual to have a real impact on the performance of the business.

The financial rewards can be higher too, but the flip side is that small companies offer less security of employment.

Enterprise Oil, the fastest growing and most successful of the independents, is a case in point. Enterprise Oil was set up in 1984 from a collection of North Sea assets assembled by the government and then sold to the public. Since then it has grown at a rapid rate

That means taking risks, and in the end Enterprise might not win. Ever since it was privatised, one big company after another has been on its tail, hoping to take it over. So far they have all failed.

Shareholders in Enterprise have not wanted to sell their shares because Enterprise has been so successful at finding oil and making deals to buy it cheaply. They have made a lot of money and want to hang on for more. Yet if Enterprise falters, it is certain to be gobbled up.

The small independent oil exploration companies are almost certainly the most exciting part of the business. The rewards are high and the competition is tough. For anyone who enjoys living life in the fast lane though, it has to be the most attractive side of the business.

Steven Butler

## PERSONNEL POLICE PUBLIC RELATIONS PUBLISHING

### PERSONNEL

## Want to work with people? Forget it

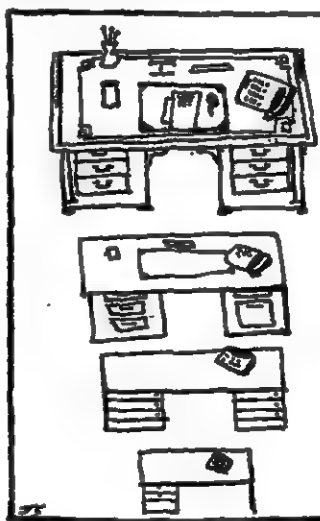
SO YOU want to "work with people". Then personnel management is not the job for you, says the Institute of Personnel Management, the body which sets standards for professional people working in personnel in the UK.

"Personnel management is not - and this cannot be stressed enough - a job for people who simply want to work with people, nor is it some kind of industrial social work," says the Institute, which ironically began life as a welfare association.

Miss Pat Marshall, membership development officer at the Institute, says it is not the personnel manager's job to manage people as such, but to provide the specialist knowledge and service that will assist other members of the management team. "Personnel work is about utilising and developing individuals to achieve corporate objectives," she says.

Personnel management is not for the sentimental. While you may be called upon to advise people about their careers or plan training programmes, the flip side is much less pleasant. You may be called upon to give official warnings, to sack people, to let someone know his or her career is going nowhere. If you do not have the stomach for these activities, perhaps you should consider social work.

A recent advertisement for a personnel officer at Tesco, the food retailer, highlighted this goal. The job, said the advertisement, involved executive and graduate recruitment, consultation about employment law and company policy as well as career planning. "In every area, you will have the opportunity to make a significant contribution to the management team and their success will be a reflection of yours." Headly staff, Tesco adds: "In return we offer excellent prospects for personal and professional progression."



Indeed, personnel work can forge a career path that leads to the company boardroom and several senior executives, including Sir Len Peach, a former chief executive of the National Health Service, have worked in personnel and have its professional qualifications.

In general the personnel function can be sub-divided into six main areas:

- Recruitment and selection
- Training and development
- Employee relations
- Salary policy and administration
- Employee services
- Human resource planning

Not all personnel departments would take in all these functions, and every personnel person would describe his or her job differently, says the Institute. The variables affecting this are the organisation itself, its size, the type of service or product it sells and whether the staff is unionised.

Large organisations, for example, are more likely to break the personnel functions into constituent parts, with specialist divisions such as training and industrial relations. Marks and Spencer, one of Britain's largest retailers has a sophisticated hierarchy of personnel functions. This spans jobs at the local store level - with personnel staff at each of the 270 stores having a wide range of responsibilities - to specialist head office jobs. Most employers do not demand formal qualifications of graduate recruits to their personnel departments. There are no obligatory degree subjects, although a social sciences background is probably preferred to a pure science degree. Vacation work experience is valued. The IPM said "this could involve practically anything that brought the student into contact with people rather than writing the great novel".



Public confidence in the police force has been dented and the number of graduates who opt to join The BII is falling

for professional qualifications. Six out of the 11 advertisements for experienced officers in a recent edition of Personnel Today, the magazine for personnel, training and recruitment, said IPM qualifications were either mandatory or preferred.

The IPM's basic professional educational qualification, secured after the successful completion of three years of part-time study, is that of a graduate of the IPM (Grad IPM). After at least two years of work experience, and with a minimum age of 23, the individual with the Grad IPM can become a full member. Fellows are appointed after 10 years.

Many employers have their own personnel training schemes. Marks and Spencer runs its own training programme with the personnel training induction incorporating the company's core training programmes. M & S, which in the past has tended to train its own personnel staff rather than recruit externally qualified people, does not require that staff train for IPM qualifications.

Some in-house training programmes, such as those provided by Trust House Forte and the Civil Service, are modelled on the IPM courses and are formally recognised by the IPM.

For the fully qualified person personnel is a field with a secure future, in which salary increases push ahead of inflation because of demand. Starting salaries for trainees are around the £11,000 mark in the south-east, with junior to middle management levels demanding salaries of about £16,000, according to Reward, the salaries consultancy. It also pays to pick and choose, with hi-tech electronics and computer companies offering particularly glossy salaries.

Further information: Institute of Personnel Management, House Camp Road, Wimbledon, London SW19 4UX. Tel 081-646 5100

Lisa Wood

### POLICE

## A chance to join the beat generation

IT HAS not been a good year for the police. Recorded crime in England and Wales rose by 15 per cent in the first quarter, the largest increase since Home Office records began in 1887, and public confidence and morale has been dented by cases of alleged corruption and indiscipline.

A series of incidents has tarnished the image of the police. The confessions that convicted the Guildford Four were "unsafe"; a new investigation has been launched into the treatment of the Birmingham Six; there have been complaints over the policing of the Trafalgar Square poll tax riot; and, in Ulster, allegations of a shoot-to-kill policy against suspected terrorists.

Leadership standards are coming under renewed scrutiny and, in spite of intensive recruitment campaigns, the number of graduates who opt for a police career is falling. The Inspectorate of Constabulary's annual report for 1989 said only 356 of last year's entrants had degrees, 76 fewer than in 1988 and 171 fewer than in 1987.

The report also said the proportion of entrants with five or more O-levels or

for example, could use Interpol or Special Branch.

The ride up the ranks can be rough. Ordinary officers, who may spend their entire careers at the rank of constable, do not always welcome "bright young things" in positions of authority.

Retired Chief Inspector Dennis Williams, of the Home Office graduate liaison office, warns potential applicants that they are not guaranteed promotion and the career path is not all plain sailing. "There is a certain amount of antipathy to graduates but no hostility," he says.

Chief Inspector Nicholl, a successful graduate officer, thinks the antipathy is no greater than at any other large corporation.

Chief Inspector Caroline Nicoll, who read law at Bristol University and joined the Metropolitan Police, is more concerned about perceptions of the police following complaints against particular forces. She fears potential applicants may be deterred by controversy such as the West Midlands serious crime squad, which was disbanded amid allegations of fabricating evidence.

Chief Insp Nicholl, one of only five officers of that rank who joined the police force in 1977 on the graduate entry programme, thinks "there has been a slip in confidence and in part it's due to our shortcomings. We have got a crisis in confidence."

Ms Nicholl hopes this autumn to become the second superintendent from the class of '77. If she makes the grade she will be earning more than £28,000 - a competitive salary which does not include housing allowances or free accommodation.

Of the 397 graduate entry places offered since the APS

was launched in 1986, only 31 are filled by women.

Recruitment officers fiercely deny allegations that sexual discrimination is to blame for the small number of women officers in senior posts. Alison Halford, Merseyside assistant chief constable and Britain's highest ranking policewoman, disagrees. Ms Halford last month took the police to an industrial tribunal claiming sexual discrimination by her superiors has held her back from further promotion.

If after two years as a constable, the graduate fails the promotion exam to the rank of sergeant at the first attempt, they lose their status on the scheme. Successful officers go on to join the special course. The special course begins after six months as a uniform sergeant. The course, which lasts 18 or 27 months, leads to promotion to inspector. A successful officer can advance from recruitment to inspector within five years - moving up the salary scale from around £10,000 to £18,129 in a provincial force.

Supt Butler would like to see a more rapid advance beyond inspector. "If all goes well, it takes eight years to get to chief inspector. That's too long."

Forces keen to attract more applicants, such as Devon and Cornwall, are offering summer vacation work to undergraduates, paying £75 a week. Others offer familiarisation courses where potential applicants spend a few days with their local force.

Other schemes include opportunities for serving officers to study further. Further information: Graduate Liaison, Room 538, Home Office, Queen Anne's Gate, London, SW1H 9AT.

Tim But

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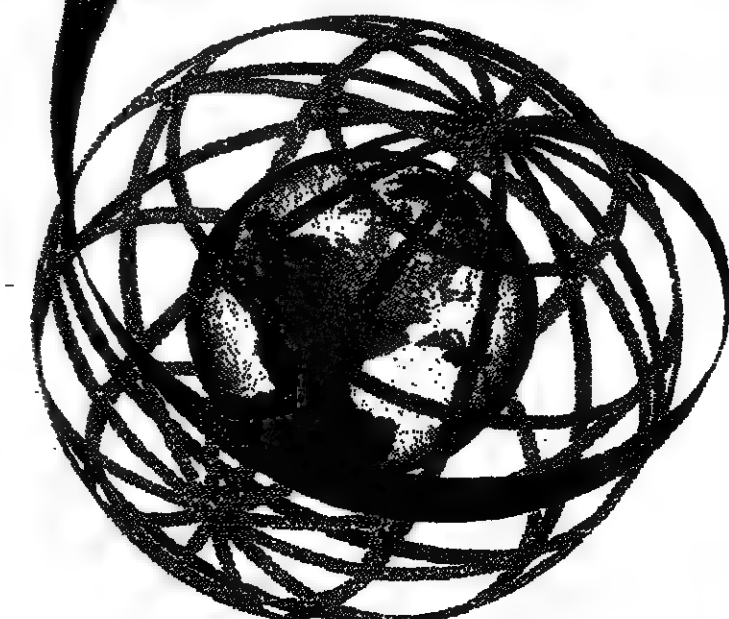
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## PUBLIC RELATIONS

## Every industry needs a little PR

NOTHING infuriates people in public relations more than the cliché of their industry being a refuge for the red-nosed backs and chinless wonders who are too burnt-out to cut it on Fleet Street or in the City any more.

This cliché, however, like so many others, is not entirely devoid of truth. There are still burnt-out journalists mistyping press releases in tiny offices along the back streets of the West End and the City. But there is another side to public relations much more appealing to ambitious undergraduates - big consultancies with networks of international offices.

These consultancies - Shandwick, a publicly quoted company which now owns the world's largest PR network; Hill & Knowlton, part of the US network owned by WPP, the marketing services group; and Burson-Marsteller, another US network which is part of Young & Rubicam, the advertising agency - are all keen to attract graduates.

One way of deciding whether PR is really the industry for you is to attend the Careers' Day organised by the Institute of Public Relations in early spring. The event includes speakers from different parts of the industry, who explain what PR is all about.

Public relations tends to be seen in terms of writing press releases or organising press conferences about a new brand of chocolates. But there is more to it than that. Public relations is an umbrella term covering everything from political lobbying, to press relations and event organisation.

There are many different categories. You can choose between consumer public relations, where you are publicising particular products or services, or corporate, where you are representing a company.

There is entertainment, where you might organise the publicity for a rock band or a movie star. Fashion, includes styling photographs and staging fashion shows. In crisis PR a consultancy is drafted in to help a company after an oil spill, for example, or a health scare. And there is financial PR, which can involve helping to plan a major takeover bid.

The first question for anyone considering a career in public relations is whether they want to work for an external consultancy or to work in-house as a PR executive for a large company.

The external consultancies, the large ones at least, probably offer more variety in that employees have the chance to work on different accounts for different companies. An in-house post offers an opportunity to really find out how a company works and, in the longer term, possibly to move out of PR into another part of the marketing department.

If you see public relations as a long term career, the best bet is probably to apply to big consultancies to join its graduate training programme. You can, after all, always switch to an in-house post later in your career after finishing the training programme.

Shandwick, for instance, takes on around six graduate trainees a year. It receives between 300 and 600 applications and whittles them down to a shortlist of 35 by means of an assessment test. The test involves the applicants answering questions on industry and the media and writing an article.

The 35 shortlisted applicants go to London for a three-day summer school. At the school they receive presentations on the different areas of public relations and on what it can offer them. They then prepare a "test" PR programme so Shandwick can decide who to hire.

Shandwick looks for people with a combination of lively personalities and a good degree. It does not favour one type of degree over another, although a high proportion of its recruits have read English.

In their first year

Shandwick's trainees are paid £10,000 and work as "shadows" to experienced account executives. This involves writing press releases under supervision and some event planning. By the second year they receive £12,000 to £14,000. They have more direct contact with the media and sit in on client meetings to discuss strategy.

When they reach their third year they should have become fully fledged account executives, on £15,000 to £17,500. They will then handle client meetings and plan events on their own. They will also start to take decisions on strategy.

After that it is really up to the individual. One disadvantage of working in PR is that it is still seen as a low status industry, compared with similar sectors such as advertising. Conversely, this means that the calibre of management is relatively low and it is easier for talented people to shine.

Public relations is also a growth industry. This means that consultancies always need new people. The bright ones can - and will - go straight to the top. Or they can always take advantage of the low start-up costs in PR by putting their name above the door of their own consultancy.

Further information: Institute of Public Relations, 4th Floor, 15 Northburgh Street, London EC1, telephone 071-253 5151; Burson-Marsteller, 24/28 Bloomsbury Walk, London WC1, telephone 071-631 6362; Hill & Knowlton, 5/11 Theobalds Road, London WC1, telephone 071-495 8755; Shandwick, 61 Grosvenor Street, London W1, telephone 071-498 1111.

Alice Rawsthorn



Join the typists' pool and move as soon as possible into an editorial job in publishing

## PUBLISHING

## You'll need luck to land a first job

THE advice from Mr Nigel Newton, founder and managing director of Bloomsbury Publishing, to those applying for jobs in the industry is clear. "Go to the best company that will have you among the firms that publish the best books."

Mr Newton, 35, a literature graduate who came to the UK from San Francisco, is equally clear about the sort of people for whom he is looking. A good brain helps but "a good dose of common sense" is just as important.

For most undergraduates, even if they do have well-developed common sense, getting a first job in publishing will be a difficult task, with few companies offering formal graduate recruitment or training programmes.

"This is because the size of the average publisher does not make it worthwhile to have a formal training programme within the firm, and what's the point when you can hire someone who's had two years' worth of making mistakes at the expense of one of the few firms that do provide proper training," Mr Newton argues.

Publishing has changed over the past few years as many of the small-to-medium-sized houses have been swallowed up by international media conglomerates. The industry does retain a willingness to hire "entirely green inexperienced people", which

usually means secretarial appointments for women graduates and jobs in sales for men, and the hope that these will quickly lead to editorial posts.

Graduate secretaries in publishing are rapidly on the move because they are not secretaries in the conventional sense. "It's like painting the Forth Bridge, finding editorial secretaries; but although it's aggravating we don't really mind because it's training for the industry," says Ms Sally Clark, personnel manager at Penguin.

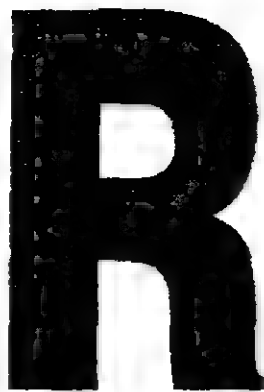
Penguin, part of Pearson, like the Financial Times, has vacancies for 40-50 editorial secretaries a year but gets about 10 letters a week, mainly from arts graduates.

On the next rung up the ladder, Penguin has about 20 vacancies a year for editorial assistants, who would typically have about a year's experience in publishing and earn between £11,000 and £12,000.

Within five years an ambitious graduate could have reached commissioning editor or marketing manager level, and a salary of £17,000 to £18,000.

The appearance of the large media predators and the perennial poaching in the industry has tended to bid up salaries somewhat, although for most people, publishing is still more of a vocation than a way to earn large salaries.

Basic secretarial skills - or at least the ability to type - is probably the most important prerequisite after a degree. This, some fear, tends to tilt the balance between the sexes further in favour of women in the publishing industry, because few men will apply for secretarial jobs. Penguin is even considering abolishing the title secretary



RECORD INDUSTRY  
RELATION  
RETAILING  
ROCK STAR

## RECORDING INDUSTRY

## Mavericks are making way for managers

EVERYONE loves a graduate, right? All that trained intelligence, that inquiring mind?

Well, that view does not wear well in the recording business. Ironically, one of the industries whose products most appeal to graduates has traditionally taken a very snuffy attitude to their recruitment.

The received wisdom was that if you were freaked out by music it showed at a very early age and you took a job, any job, in a record company, a music publisher, a recording studio, or one of the myriad offshoots of this hit-and-miss industry, and then worked your way up.

In those days, the big money men and the legal eagles might be graduates. But the really glitzy jobs - finding the talent, producing the sounds, marketing the product - were handled by whizz kids who instinctively knew good music when they heard it.

The A&R men and women, the "Artist and Repertoire" shock troops who act as musical talent scouts, start when they are 17 or 18 years old. Record companies figure they then can identify with the musical tastes of the mass pop-buying public. By 22 they have moved up or moved out. For many key jobs in the record business taking time off to develop the mind at university was seen as a waste.

In many leading record companies this is still the attitude. Virgin, for example, has nothing against graduates, but it does them no favours. It tries to promote in-house so office juniors become, in time, top executives who know every aspect of the business.

Virgin wants enthusiasm, not qualifications. So graduates might be employed but they will start on the reception desk, or as a clerk, or in the car park. If they show the right



It's been a dog's life for graduates in the music business - but things are looking up

attitude promotion will come, although jobs do not come with guarantees.

This approach is not surprising in a company led by a man, Richard Branson, who left school early to make his fortune and who looks for entrepreneurial talents in his staff rather than a knowledge of philosophy.

This is changing - but slowly. CBS now looks for graduates, preferably with a business studies or marketing degree, when recruiting for its marketing, sales and market research departments. It recently took on a graduate with a music degree - almost unheard of in the business; but the recruit was a secretary in the classical music department and her skills were needed to beef up a division attempting to cash in on the latent demand for classical music. There was a graduate scheme at CBS but last year it failed to take on a single probationer. The industry was economising on payroll costs and training a graduate was looked on as a luxury.

Even EMI, which traditionally sees itself as the industry leader, takes on only two graduate trainees a year. Occasionally, it even gives this a miss. It has recently refined its approach. For the past two years it has been looking for

graduates who have one year of work experience, perhaps in the retail trade or another record company, so that they have grown away from student life and have some knowledge of "real" work. EMI's graduate trainee scheme works: participants tend to get rapid promotion within EMI or leave to run other record companies.

Most EMI executives are now graduates, and some have two degrees, including an MBA. They have been recruited through traditional procedures, which still means many women graduates start as secretaries and the men as marketing assistants. Those with music degrees are, as usual, clustered in the classical department.

After that it is the old record industry practice of promotion by talent. EMI also has A&R men and women who are graduates. This is where

running the union hope, or managing college bands, comes in useful. The college circuit as a profitable touring route for bands may not be as rich and thriving as it was a decade or more ago (discos have seen to that) but, since the record companies are looking for enthusiasm and knowledge from its new employees rather than academic qualifications, experience in booking bands, in planning programmes, and

in handling the money is an undoubted advantage.

Alternatively, anyone whose years at college were spent as a social secretary might like to think of becoming a pop impresario. They should go to the biggest, Harvey Goldsmith, for advice: he gained his first experience organising college gigs at Brighton.

As the record companies become part of multinational corporations, so they become both more, and less, attractive to graduates. Anyone joining EMI or CBS, for example, can expect a career pattern rather similar to that of a contemporary joining Shell or IBM, and a salary to match. The managers are on the march: the accountants rather than the mavericks deciding musical policy.

There are gains in this - record companies were a byword for waste and unreality. It should also help to improve the rather tacky reputation of the industry, and enable it to reach the status of its American counterpart: there a career in the record business carries no doubtful associations. But undoubtedly some of the glamour, some of the excitement has gone.

Antony Thorncroft

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## RELIGION

## No quota for people taking orders

A MAN who left secondary modern school at the age of 15 without any educational qualifications will next spring be enthroned as Archbishop of Canterbury and leader of the worldwide Anglican Communion.

The career of Dr George Carey, the Archbishop-elect, is a sobering reminder to all employers of the dangers of judging individuals' potential solely by their schooling. Not only did this relative failure of Britain's education system prove to have the intellectual skills needed to complete his training for ordination, he obtained a Master of Theology degree while working as a London curate and later a PhD.

Dr Carey's example is also a reminder that educational qualifications, more so than with most careers, are not the sole basis for determining the suitability of candidates for the ordained ministry. Personal qualities and individual commitment are of the highest importance, resulting in successful applicants being drawn from a wide variety of backgrounds. They must, however, be capable of coping with a demanding course of study, and many are graduates.

Candidates seeking ordination in the Church of England must begin by applying to a bishop for sponsorship to attend a selection conference. This will usually be the bishop in their home diocese or the one where they have been attending university - a number of students decide to seek ordination while at university, having become active Christians through the work of the university chaplains.

Up to 80 selection conferences take place around the country each year. They span three days during which applicants combine interviews, group discussions and written exercises with worship and meditation.

About 90 to 85 per cent of those attending selection conferences are recommended to the bishops for training. Unsuccessful applicants can try again after two years with a bishop's permission. There is no quota on the number of applicants who will be accepted for training and so, unlike selection processes in most other occupations, candidates at selection conferences are assessed entirely on their individual attributes and are not competing with each other.

In recent years neither the Anglican nor Roman Catholic churches has attracted sufficient candidates for ordination to meet their needs. Both churches take the view, however, that they would rather survive the future with fewer priests than lower their selection standards.

The leading Christian denominations are finding the drop in candidates for ordination even greater than the drop in their active membership - there has been a 22 per cent fall in active membership of the main churches since 1970. Other religions have by contrast strengthened their position with the estimated number of active Muslims tripling during the 1970s and 1980s.

Five years ago the average

intake at St John's College, near Guildford, Surrey, which trains men from throughout the south of England for the Roman Catholic priesthood, was around 70 a year. It is down to 44 this year and next.

The training of a Catholic priest takes six or seven years and during this long period of preparation up to half of any annual intake drops out - about the same rate, points out Father Peter Smith, rector of St John's, as before the Roman Catholic church introduced selection conferences to try to reduce the high level of candidates withdrawing during training.

About 200-300 men and 70-80 women a year are accepted by the Church of England for training. Graduates in theology then spend two years full-time at theological college, those with degrees in other subjects three years.

The training of men for the priesthood and women for the diaconate is similar and takes place in the same colleges. Many women deacons are likely to seek ordination to the priesthood if, as is probable, the Church of England decides to accept women priests.

Britain's relatively small Jewish community needs far fewer young people to meet its future needs. There are at present eight candidates studying at Jews' College, the leading training centre for Orthodox rabbis whose principal, Dr Jonathan Sacks, will shortly become Chief Rabbi. Training takes three years and covers both academic and practical experience.

No-one is likely to enter the full-time religious ministry for material reward. The national minimum stipend in the Church of England is

The clerical profession has lost much of its appeal for today's youth, and churches are struggling to find suitable candidates

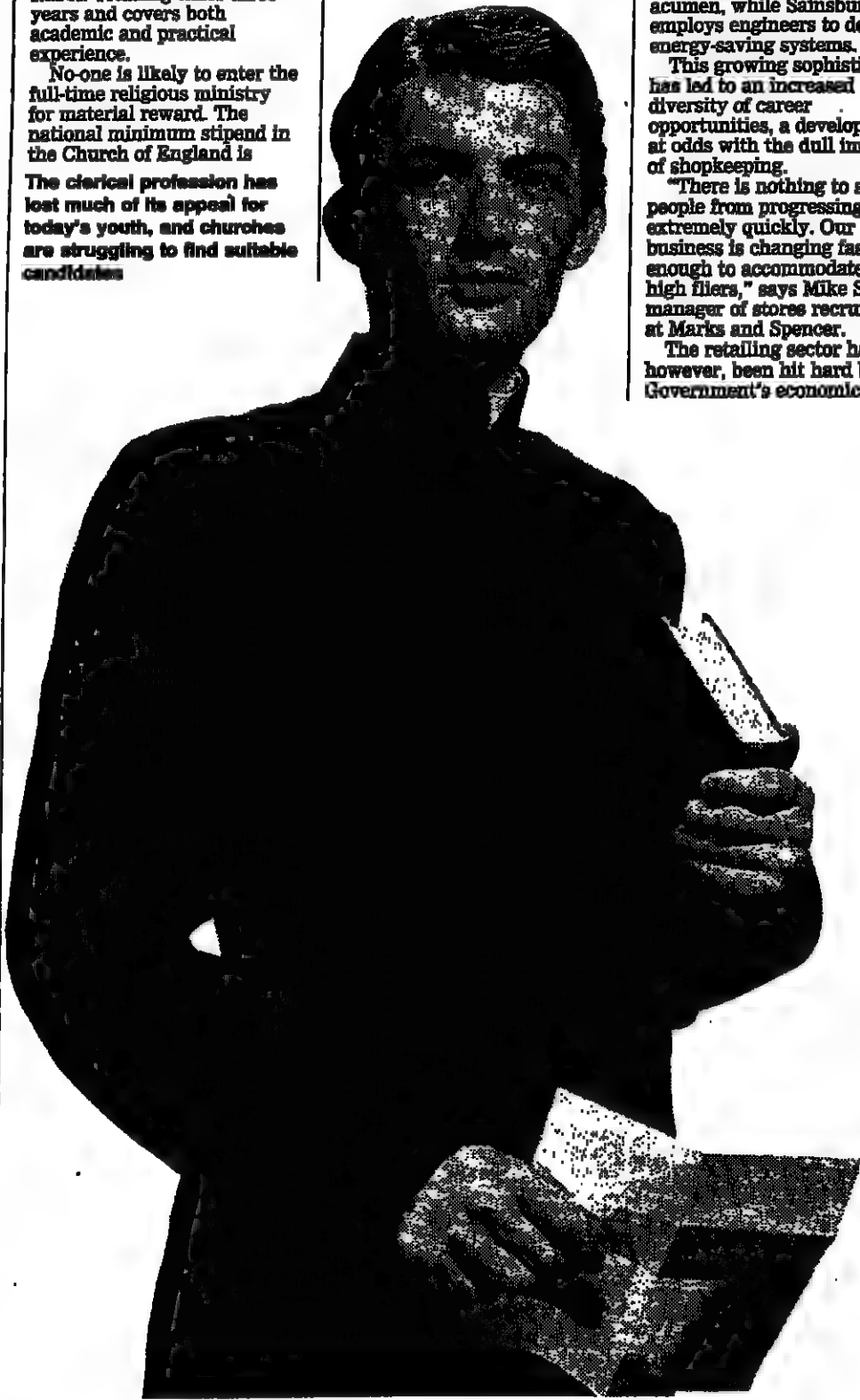
£10,500, and even a diocesan bishop does not quite double this.

What qualities are selectors seeking? "Do you believe, so far as you know your own heart, that God has called you?" candidates are asked in the Anglican ordination service and an individual's innermost answer to this question is obviously of fundamental importance. The work will be challenging and rewarding but can also be frustrating, lonely and simply very hard. But on-going training and support for clergy are improving in many churches.

"We are not looking for clones who fit a particular preconceived image of what a priest should be like," says the Rev Martyn Jarratt, senior secretary to the Church of England's Advisory Council for the Church's Ministry which arranges its selection conferences. "There is a place for interesting minorities."

"But people must be prepared to develop throughout their ministry. We are not looking for candidates who will feel they have achieved the one thing they always wanted once they become priests. They must have the flexibility of mind and curiosity to still be thinking and learning after 20 or 30 years in their ministry."

Alan Pike



## RETAILING

## Shopping around for a bargain

"THROBBING feet and worry lines," was one student's response to the prospect of a career in retailing. "Making sure people fill up the shelves, talking to troublesome customers, wearing silly uniforms," said another, when canvassed for a recent market research survey.

Careers in retailing are indeed about such things, but they involve a lot more besides. In the last decade retailing has grown into a sophisticated business sector embracing 10 of the UK's largest 100 companies, and employing 10 per cent of the workforce. Computer specialists, financial experts, designers and marketers all find their place in the modern retailing operations rubbing shoulders with the store managers and buyers.

Tesco, for example, recruits geography students to help find suitable sites for its supermarkets. It also launches 1,000 new products a year.

Marks and Spencer runs a large financial services operation which requires graduates with numerical acumen, while Sainsbury's employs engineers to design energy-saving systems.

This growing sophistication has led to an increased diversity of career opportunities, a development at odds with the dull image of shopkeeping.

"There is nothing to stop people from progressing extremely quickly. Our business is changing fast enough to accommodate the high fliers," says Mike Shaw, manager of stores recruitment at Marks and Spencer.

The retailing sector has, however, been hit hard by the Government's economic

squeeze, designed to curb excessive consumer spending. Many high street stores are struggling with sluggish demand; shops are being shut, workers laid off.

But the familiar household names, particularly in the food retailing sector, seem to be only slightly ruffled by the economic squeeze, and their demand for graduates appears undiminished.

For the majority of the jobs any kind of degree is acceptable and the recruitment net is spread wide. M&S intends to visit 90 educational institutions this year and is looking to recruit about 250 graduates.

Competition can be fierce. Last year, Marks and Spencer had 5,000 applicants, of which only 4 per cent were offered jobs. But the rewards are reasonable. Pay tends to be at or above the national average - £12,000 at M&S - but quickly rises thereafter. A senior store manager, a position that can be reached in the early 40s, earns about £80,000.

Retail management requires people with strong leadership and inter-personal skills who are confident about dealing with customers and employees alike. But perhaps the most important criterion is a good dose of common sense.

After an induction programme, graduates at most retailing companies are introduced into a particular business stream, such as buying, store management or personnel, where they are expected to learn specific jobs. After a year to 18 months they can broaden their careers into other areas or move up to more senior positions.

Mr Dominic Mahony, careers manager at Tesco, stresses that his company promotes according to individual ability.

Tesco pays graduate entrants about £12,000. But Mahony adds: "Some of our very senior people are in their early 30s and that is not an unusual age to be running a super store. Such managers can earn between £35,000 and £50,000."

Retailing companies tend to be far less Neanderthal than much of British industry in their attitude to women, who commonly account for more than half companies' graduate intakes.

Women are not so well represented higher up the organisations, although this does seem to be changing. Sainsbury's now has five women store managers and 60 deputy managers, and expects this number to grow substantially.

But despite the attractions, many graduates discover retailing is not the career for them. Their jobs can involve working long, unsocial and exhausting hours, which demand more than they are prepared to give. Much of the work can be repetitive, with little intellectual stimulation.

Many retailing companies also have strong corporate cultures, which can exacerbate those who do not fit the mould. Such factors lead to a high turnover of staff, although companies are coy about revealing precise figures.

The highly individualistic may prefer to work for a smaller retailer, which can provide more direct involvement in running the business, although usually offering less training, mobility and money.

Oddbins, the wine merchants, is one example. "We are quite a quirky and unusual company and we probably attract people who are looking for that kind of

squeeze, designed to curb excessive consumer spending. Many high street stores are struggling with sluggish demand; shops are being shut, workers laid off.

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For the majority of the jobs any kind of degree is acceptable and the recruitment net is spread wide. M&S intends to visit 90 educational institutions this year and is looking to recruit about 250 graduates.

Competition can be fierce. Last year, Marks and Spencer had 5,000 applicants, of which only 4 per cent were offered jobs. But the rewards are reasonable. Pay tends to be at or above the national average - £12,000 at M&S - but quickly rises thereafter. A senior store manager, a position that can be reached in the early 40s, earns about £80,000.

Retail management requires people with strong leadership and inter-personal skills who are confident about dealing with customers and employees alike. But perhaps the most important criterion is a good dose of common sense.

After an induction programme, graduates at most retailing companies are introduced into a particular business stream, such as buying, store management or personnel, where they are expected to learn specific jobs. After a year to 18 months they can broaden their careers into other areas or move up to more senior positions.

Mr Dominic Mahony, careers manager at Tesco, stresses that his company promotes according to individual ability.

Tesco pays graduate entrants about £12,000. But Mahony adds: "Some of our very senior people are in their early 30s and that is not an unusual age to be running a super store. Such managers can earn between £35,000 and £50,000."

Retailing companies tend to be far less Neanderthal than much of British industry in their attitude to women, who commonly account for more than half companies' graduate intakes.

Women are not so well represented higher up the organisations, although this does seem to be changing. Sainsbury's now has five women store managers and 60 deputy managers, and expects this number to grow substantially.

But despite the attractions, many graduates discover retailing is not the career for them. Their jobs can involve working long, unsocial and exhausting hours, which demand more than they are prepared to give. Much of the work can be repetitive, with little intellectual stimulation.

Many retailing companies also have strong corporate cultures, which can exacerbate those who do not fit the mould. Such factors lead to a high turnover of staff, although companies are coy about revealing precise figures.

The highly individualistic may prefer to work for a smaller retailer, which can provide more direct involvement in running the business, although usually offering less training, mobility and money.

Oddbins, the wine merchants, is one example. "We are quite a quirky and unusual company and we probably attract people who are looking for that kind of



Employees are required to think, breathe and dream books and are on their feet all day

The company is looking to recruit about 30 graduates this year. Little emphasis is placed on applicants' academic ability - "they may even be the type who have dropped out of university" - but they are expected to show a "particular interest in wine and the ability to progress into management".

Oddbins' starting salaries are lower than those on offer elsewhere, but within six to 12 months a new entrant can aspire to the post of branch manager with a salary of about £16,000.

There is also the attraction of being surrounded by cheap liquor but few succumb to the temptation. Further information: The Consortium of Retail Teaching Companies (Cortico) runs a summer course for students: Cortico, Stanford Hall, Loughborough, Leicestershire. LE12 5QR. The CRAC organisation is running an Insight into Retail Management course on July 2-4 1991. Details from your careers advisory service or from CRAC, Sheraton House, Castle Park, Cambridge. CB3 0AX.

John Thornhill

PROFILE: Waterstone's

## Home from home for bookish sorts

AN "emotional affinity" with books may be the last feeling to cross the minds of jubilant graduates emerging from libraries into the sunlight after a year. But it is a quality that managers at Waterstone's, the bookshop, are looking for in recruits.

"Bookishness," says Richard Barker, operations director, shows up in someone who has a feeling for books and the book world. "The first question we ask people in an interview is what book they are reading - you can tell from their answer whether they are right for us," he said.

The search for bookishness is not an arduous one. Waterstone's has no difficulty in attracting bright people who consider that working in a bookshop is a comfortable way to earn money.

For the company there is a rather more practical side to bookishness: in return for employees' desire to think, breathe and dream books, the company can pay decidedly low starting salaries - around £8,000 for a first-year recruit.

"It is not like being in retailing," said Tracy Hargreaves, 24, who works as a book seller at the High Street Kensington branch of Waterstone's. "The product you are dealing with is something that you know about and that you are interested in."

They know that complaining about the levels of pay would not get them far. "When college ended this year there were people pouring into the shop - loads of people want jobs like this," said David Hooper, 28, a ground floor manager.

Of the 100-200 recruits the company takes on every year, only about 5 per cent will not have a degree. The rest are primarily arts graduates, mostly English, although a few have science degrees. It is up to branch managers to pick the right mix.

While the company does not

policy. Anyone who joins the company has to join as a basic book seller. After that all appointments are made within the company. "We recruit a large number of very talented, highly intelligent people, with high aspirations - if we are to continue to get these people then we have to offer them opportunities," said Mr Barker.

Of four people working at the Kensington Waterstone's, however, only one had even the vaguest intentions of a long-term career with Waterstone's - and he had already been promoted to ground floor manager, the second rung up after joining as a book seller.

"For most people this job is a stop-gap," said Tracy, who did a degree in English at London University and who is leaving shortly to go back to college.

"You have to demonstrate some sort of commitment," said David, "but you are not expected to say that you are looking for a long-term career."

Staff turnover is high in retailing but somewhat lower in books. At Waterstone's it is low even for book retailing. A book seller choosing to stay on, according to Mr Barker, expect to become a ground floor manager within 18 months, a department manager within three years, an assistant manager within four years and managing a shop after about five years.

For those that view the job as a stop gap, the benefits are that they are expected to take on a high degree of responsibility soon after joining.

The first month is supposedly for induction - learning to

use the till, the bibliographical references, and generally finding out where everything is - although one book seller said she had just muddled along during her first month.

After that, book sellers are allocated a section and given a budget. The company demands that core books are stocked and new titles are ordered by the senior management. But the rest is at the discretion of the book seller.

Louise Taylor, 22, who did a degree in English and drama at Middlesex Polytechnic, said this aspect of the job could be quite daunting to begin with.

"I started on science fiction with not a clue about it - I did not even know which were the best sellers. But you have a core stock which you can use as guidance and you get plenty of assistance from senior staff."

Ordering can also be one of the more rewarding aspects.

"I like going through stock lists and getting things that ordinarily we are not told to get and then seeing it actually sell," said Tracy.

The job also requires a certain amount of flexibility. "It is a very physical job - something I don't think a lot of people realise," said David. Other chores include gift wrapping at Christmas, tidying up, organising returns and taking customer orders.

Perhaps one last thing book-lovers ought to remember is that as a book seller you are on your feet all day and are required by the management to observe one golden rule: "No reading behind the till."

Emma Tucker

## THE NATIONAL HEALTH SERVICE IN WALES

## The Organisation

The NHS in Wales takes the lead in safeguarding and improving the health of the people of Wales. Its 58,000 staff form part of a complex network of resources which are putting Wales on course to provide a level of health to compare with the best in Europe. Focusing the huge potential of these resources is the task of the manager and the NHS in Wales is committed to recruiting and training graduates who will rise to senior management positions.

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## Financial Management and Accountancy Training Scheme - 7 vacancies

A three year scheme which unites the skills needed to manage the NHS's sizeable financial resources. Trainees study for membership of the Chartered Institute of Public Finance and Accountancy.

## Personnel Management Development Scheme - 5 vacancies

This 2 year scheme provides the NHS in Wales with high calibre specialists in the field of Human Resources. Trainees study for membership of the Institute of Personnel Management.

## Hotel Services Management Training Scheme - 3 vacancies

Hotel Services unites functions such as catering, portering etc. under one management umbrella. This 20 month scheme equips trainees in all aspects of Hotel Services management and includes study for membership of the Hotel, Catering and Institutional Management Association.

Further information is available from:-

Manpower Consultancy Service  
Welsh Health Common Services Authority  
Heron House,  
35/43 Newport Road  
Cardiff CF2 1SB.

## Local Government Opportunities

Local Government provides a wide range of services. This means that there is scope to pursue almost any occupation. Public relations, social work, accountancy, engineering, planning, administration, careers advice, architecture, computer programming and leisure management are just a few of the career opportunities.



The Local Government Training Board has produced a series of information leaflets on specific career opportunities as well as on local government generally. If you are interested in finding out more about working for local government contact the LGTB, Amdale House, The Amdale Centre, Luton LU1 2TS. Tel: 0582 451166



Local Government Training Board



# S

SCIENCE  
SECURITIES  
SPYING  
STEEL

## SCIENCE The cutting edge of new technology

BRITAIN spends about £10.3bn a year on scientific research and development, and about 90,000 professional people earn their living this way. Most work in multi-disciplinary teams, often in large national laboratories. World-famous British research centres with 1,000 or more qualified scientists and engineers (QSEs) on their payrolls include the Royal Aerospace Establishment, Farnborough, the Harwell laboratory of AEA Technology, and the Royal Signals and Radar Establishment, Malvern. All these are national (government-owned) laboratories.

However, some of the most exciting and best publicised research of recent times is being done in small laboratories set up by new companies, for example inventing new medicines using the latest techniques of biology (see Biology piece).

Research and development (R&D) are really two different occupations. Dr Richard Sykes, who as Glaxo's research director manages an R&D budget exceeding £400m a year, sees them as quite different cultures. "People who discover drugs have a different approach from people who develop drugs."

Which one suits you best you will probably learn as you train. Usually, several times as much money is spent on the development phase of a project, but this is not necessarily reflected in the numbers needed, for development usually includes building demonstrations and organising trials.

For statistical convenience, however, research and development are often counted together. The latest government figures suggest R&D was employing a total of 14,405 QSEs in the public sector in 1988-89. About 5,000 were employed by the Ministry of Defence, nearly 6,000 by the five research councils (funded by the Department of Education and Science), and nearly 4,000 by other government departments such as Energy, Environment, Trade and Industry, and the Home Office.

Government R&D is a changing scene. Defence R&D has been declining slowly for several years as a proportion of the total budget.

Of the £25m invested in R&D by manufacturing industry in 1988, electronics accounted for nearly £1.5bn chemicals for nearly £1.4bn, and aerospace for another £700m. Industry's own funding of R&D has been increasing during the 1980s - in real-money terms by about 36 per cent from 1983-88. The government has also been encouraging companies to publish details of their R&D investment in annual reports, in the belief that there is a positive correlation between such a long-term investment and commercial success.

Substantial funds for R&D are provided by the European Community through the

European Commission's Framework Programme. This programme has three mechanisms for supporting scientists - shared-cost projects (providing up to 50 per cent), direct actions (in the EC's own research centres), and concerted actions (involving collaborations between national research programmes).

The current Framework Programme is a five-year affair from 1987-91, in eight different areas of research, adding up to some £3.5bn. The UK is providing about £600m but aims to carry out R&D to a value somewhat higher than this. A new Framework Programme has been approved for the period 1990-94, with a budget of about £4.2bn to cover six broad areas of scientific interest - information and communications technologies, industrial and materials technologies, environment, life sciences and technologies, energy, and human capital and mobility.

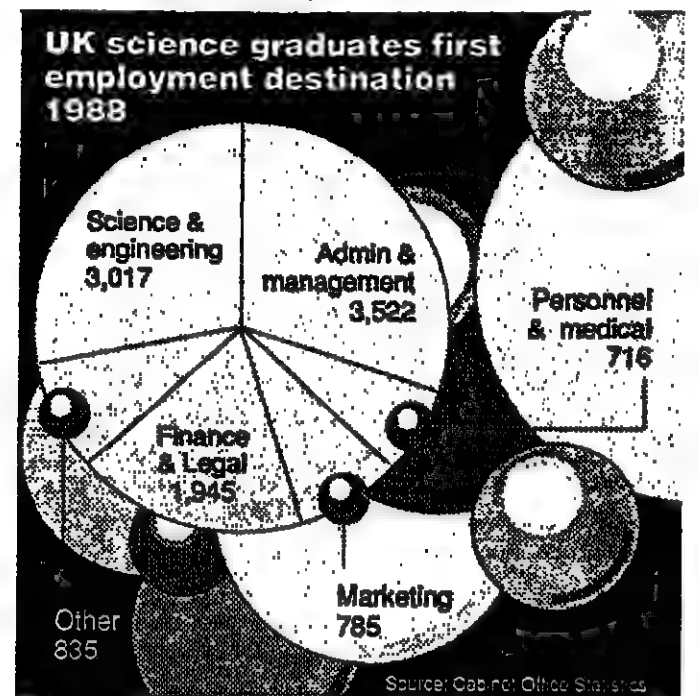
Further information: Annual Review of Government Funded Research and Development 1990, prepared by the Cabinet Office, HMSO, £23.95.

David Fishlock

Four years ago Britain began an experiment - Interdisciplinary Research Centres (IRCs) on various campuses - in organising and managing science. The government was looking for ways to encourage scientists and researchers at universities to be more responsive to industry's problems.

The experiment, although located on academic campuses is run independently of existing science and engineering departments, with its own director and students. This director is expected to lead and inspire a team which starts with an annual budget averaging about £1m, and will take on six post-graduate students a year. Thus, each will have a constant staff of about 18 people.

An important stimulus to the IRC concept was the discovery in 1986 of high-temperature superconductivity by two IBM scientists who shared a Nobel prize for their research in 1988. They had discovered superconductivity in a material quite different from any known previously, and at temperatures much higher



## Small cash rewards in the world of test-tubes

FOR science graduates who feel the academic world is for them - and are willing to resist the pull of Mammon - there is always the world of university-based research. In Britain, the cutting edge of this research is encapsulated in a government-sponsored effort to view sciences as integrated disciplines.

The old boundaries between physics, chemistry and biology are no longer valid in tackling such issues as climatic change or the behaviour of new materials. Genetic engineering, for example, one of the most exciting areas of commercial as well as scientific progress, is founded in molecular biology, an interdisciplinary science encompassing physics, chemistry, biology and mathematics.

than were needed before. It opened entirely new opportunities in electro-technology, from miniaturised electronics to power supply. The science was indisputably interdisciplinary, embracing physics, chemistry, geology and other disciplines.

The first IRC was set up at Cambridge University, and in less than three years the research councils have launched 21.

There is still controversy about IRCs in academic circles. Sir William Mitchell, the physicist who pioneered them, is convinced his critics are wrong, misled by academic myths and misunderstandings, including notions that such research is "creative" and therefore cannot be managed.

In spite of widespread suspicion of IRCs expressed in the common rooms, however, most universities and polytechnics have responded enthusiastically to the calls for ideas for IRCs. So far the dons have made more than 300 proposals.

David Fishlock



Billy wasn't idol at Sussex University where he obtained a degree in English

### ROCK STAR

## Money for nothin' and your chicks for free?

SO you want to be a rock star? And you? And you? Forget it. Better to concentrate on winning the pools, or discovering the sixth dimension. Take the advice of Clive Black, deputy head of A & R (Artist and Recording) - the creative end of the pop business) at EMI. "You can teach people to set fire to their guitar - but you can't teach them to be Jimi Hendrix," or "My girlfriend dances around in her underwear but she is not Madonna." He will spin out the clichés and they all mean the same: there is no formula, no way can it be taught, there are no guarantees.

The odds against are enough to deter the most hardened gambler. EMI receives 150 tapes a week from hopefuls and in time, in theory, they are all listened to. But no artist has been signed to the record company by this route in the six years Mr Black has been at EMI. Turning up at the door looking good, sounding persuasive, and with the most foot-tapping tape in your hands will only have you sitting in reception until eternity.

Jonathan King, who has carved a rich career off one juvenile hit of the early 1970s, once said, "If you're good, the record companies will find you." It sounds implausible, but in this mad world it is quite possibly true.

There are some obvious truisms. Attitude is more important than ability; determination more than looks. You stand a better chance of being signed up if you create your own material. If you have the voice of Aretha Franklin, the record company will find the songs but it could take a year or more; it much prefers to contemplate the publisher's fees that usually come its way through a new artist with new songs.

The pop business changes so rapidly that last year's good advice is this year's waste of time. Traditionally you got together with a group of school or college friends, formed a band, played for beer money in pubs, sent a demo tape to your local radio station, and hoped you would get spotted. It was actually no disadvantage to be a graduate. Probably the richest band produced in the UK, Queen, is stuffed full of graduates, a good few with Firsts. The Stranglers still degrees; Mick Jagger must be the most famous non-graduate of LSE;

secure their university qualifications. Even Iron Maiden is fronted by a BA.

In fact, even without a degree, if you had any talent at all there was a good chance you would get a visit from a couple of A & R men from the big record companies, who relied on teams of scouts stalking the country, following up tips from pub landlords, pop journalists, radio DJs, agents, etc. If there was a buzz about a band it could expect to be visited by competing teams of A & R men frantic to snap up the music before their rivals got there.

This used to be the way the business operated, and it still does - for heavy metal music and other conservative art forms. But for many record industry executives the word "band" is starting to have an old-fashioned ring. The pop charts are dominated by individuals who are more technological whizzkidds than musicians, who can create a sound in their garage by mixing tracks, by adding a computerised drum beat, by riffling through the pop music of the past three decades to find a beat and a phrase that touches the feet of the current dance-crazed pop audience. As Mr Black says, "It is now a groove and mix led music."

This makes it cheap for the record companies, especially on the singles side, whose role can be limited to marketing tracks produced by imaginative, anonymous, back-room boys.

Singles lose money, however; they are teasers for CDs, and (for a few more years) albums, and although the record companies have gone along with the whole hip hop, acid house phenomenon, which was largely inspired by the clubs and by independent labels, they are looking forward to the return of the stars, to the next George Michael or Boy George: artists who could write songs, perform them, and sell millions of albums.

So at the moment it is a good time for boffins; for studio technicians; for creators of sounds. By next year the search will be on for "stars", for singers with fine voices, for songs with meaningful lyrics. The pop market is so vast it can comfortably find room for both types of artist.

But do you really want to be a pop star? Of 10 artists signed up each year to a recording deal, only one or two will survive to have a worthwhile career, which seldom exceeds five years. Who even remembers The Roaring Boys, tipped to rule the world? They have joined Signe Signe Sputnik, and all the one-hit wonders, in that great pop graveyard in the sky.

The great majority of signed artists can look forward to a thankless year or so playing seedy venues for peanuts.

Your troubles really start when you sign on the dotted line and sell your soul, and usually your musical integrity, for a packet of illusions, and delusions.



Mick Jagger (above) is probably the most famous non-graduate of the London School of Economics while Everything But The Girl (below) delayed their pop career to secure degrees at Hull University



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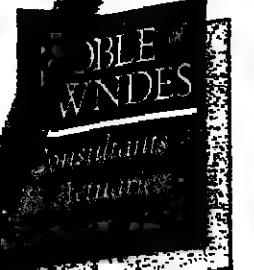
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## Chemistry: a formula for job success

EUROPE is a world centre for the industries based on chemistry – chemicals and pharmaceuticals. It is still far ahead of Japan and on a par with the US. That is quite a contrast with the industries based on physics and electronics, where European manufacturers have on the whole been left well behind their North American and Far Eastern competitors.

Chemists who want to use their skills in industry have a chance to join UK-based companies such as ICI and BP Chemicals, Glaxo and Wellcome, which really are among the most innovative and successful in the world.

Even so, chemical and pharmaceutical companies are finding it increasingly difficult to recruit good chemists. The supply of chemistry graduates from UK universities and polytechnics has remained fairly constant (at about 2,500 a year) over the past decade, while the proportion going into industry has fallen steadily. More and more are making no direct use of their chemistry, particularly in financial services and accountancy.

The statistics suggest that only about 40 per cent of chemists who enter employment after gaining a first degree this year will take a job in which their chemical knowledge is directly applicable (for example in research and development or analysis). Another 10 per cent will work in a field such as computing, in which a broad scientific background is an advantage. The remaining half will do something that is not related at all to science.

The growing reluctance of chemistry graduates to stick with the subject is causing an increasingly serious shortage of industrial and research chemists. Anyone who has the ability and inclination to pursue a career in chemistry can therefore expect to be wooed by several employers.

A typical starting salary this year for someone with a good honours degree in chemistry would be around £13,000 for a laboratory-based job with a large company. An outstanding new PhD might be offered as much as £18,000 to start research with a large drug company (the pharmaceutical industry is particularly short of top quality researchers).

During the industrial recession at the beginning of the 1980s, some large chemical employers cut back drastically on their recruitment. That is not likely to happen again, says Mr David Culpin, business development director of the Chemical Industries Association (CIA). "A lot of responsible companies believe now they damaged themselves and their relationships with the universities" by reducing their recruitment 10 years ago.

Although the chemical industry is now entering a cyclical downturn, there is no sign of any general reduction in demand for graduates. Early results from the CIA's 1990 recruitment survey suggest employers want to hire as many graduates this year as they did in 1989.

ICI, the largest UK employer of chemists, plans to recruit about 15 per cent fewer graduates in 1990 and 1991 than it did in 1988 and 1989. But Mr John Simpson, graduate recruitment manager, insists this should not be seen as a cutback but as a return to a normal sustainable level after two exceptional years during which ICI made up for its under-recruitment in the early 1980s. "All the senior managers are putting out the message that we should do our best to maintain recruitment during any downturn," he says.

Many people associate the chemical industry with large companies, but Mr Culpin says students should remember there are also many innovative small companies. "Small companies with a highly qualified workforce – sometimes as few as five or six people – doing R & D and manufacturing intermediates [for the large companies] are a dynamic part of the industry."

Starting a career with a small or even medium-sized chemical company will be a



You don't have to be a crazed scientist to make your career in chemistry

matter of answering an advertisement in a journal such as *New Scientist* or *Chemistry in Britain*, or hearing about a vacancy from someone in your chemistry department (many small companies have close links with university chemists).

"We can't afford to go through the university milk round or recruit graduates in a systematic way," says Mr John Morgan, chief executive of Forvalk, a specialist plastics company with 200 employees.

"We tend to pick up people in their mid-20s after they have become disillusioned with large companies."

Although a career with one of the chemical giants can offer attractions not open to someone working for a small company – such as working abroad in its international

operations – a job with all-round responsibilities is likely to come sooner with one of the smaller companies. Any graduate wondering whether to start a career in a job involving practical chemistry should remember it is almost impossible to go back to the laboratory after having done something else for more than two or three years. The science will have left you behind.

On the other hand, the chemist with several years of laboratory experience who wants to move away from the test-tubes will be welcome in other fields. As the Royal Society of Chemistry points out, chemists seem to fill jobs in scientific management and administration more than other scientists, "possibly because the study of chemistry develops numeracy and logical

thought and encourages analytical problem-solving and organisational skills". Further information: Royal Society of Chemistry, Burlington House, Piccadilly, London W1V 0BN. Chemistry in Britain is the leading periodical for chemists, published by the RSC at the same address. Chemical Industries Association, Kings Buildings, Smith Square, London SW1P 3JJ.

Clive Cookson

## The world's an oyster for biological scientists

"EVOLUTION started with a primeval soup," runs one of a collection of 1989 biological exam howlers published by the Institute of Biology recently. Others showed evidence of literary as well as technical inadequacy, among them references to "riga mortis" and "silt rists". The Institute's 15,500 membership is strong on biology teachers, and it has begun an affiliation scheme which gives more than 200 schools access to such publications as *The Biologist* and the *Journal of Biological Education*. The Institute has also revised *Careers with Biology*, its guide for school-leavers, first published in 1987. The latest edition by John Thurman, careers adviser to the University of East Anglia, sets out to answer such questions as: What is biology? and What can biology lead to?

The evidence collected by Mr Thurman on the 4,536 biology students who graduated in Britain in 1987 shows that biology can lead to a remarkable diversity of careers. One-quarter went initially into research, development or design, and another 13.2 per cent into scientific support services. But 11 per cent went into sales, marketing and buying; 16.6 per cent into financial work; and 5.7 per cent into health and social welfare.

Of the 917 polytechnic graduates the same year, 27 per cent went into R&D or design, and nearly a third into scientific support services.

In long-term research work, the booklet advises, a typical project might be carried out by a team of about six, frequently led by a PhD, with two or three other graduates having good degrees, and one or two experimental assistants or technicians. Large research establishments – in the pharmaceutical industry, for example – may have 20 or 30 such research teams.

All research, whether in a university, institute or industrial laboratory, tends to involve several years of painstaking experimental work before a conclusion can be reached.

"The enjoyment comes from a liking for the practical side of experimental work and from the exhilaration of discovery," says John Thurman. "Scientists can be fun people to work with, too."

His case studies span many biology-related jobs, such as that of June Rhodes, who, with a degree in genetics, is a medical sales representative for Lederle Laboratories, typically travelling 150 miles a day to see GPs, pharmacists and hospital staff. Another example is Janice Rees, whose

health officer in Norwich. "You need to be assertive, and must always be decisive if there is a danger to the public," she says.

"Pretty well everything one does nowadays requires a graduate," says Dr Brian Richards, chairman and co-founder of British Bio-technology, a biotechnology research company set up in 1986. But so widely discussed are the company's goals in inventing new medicines, he estimates he receives about 60 job applications a month – the main source of recruits.

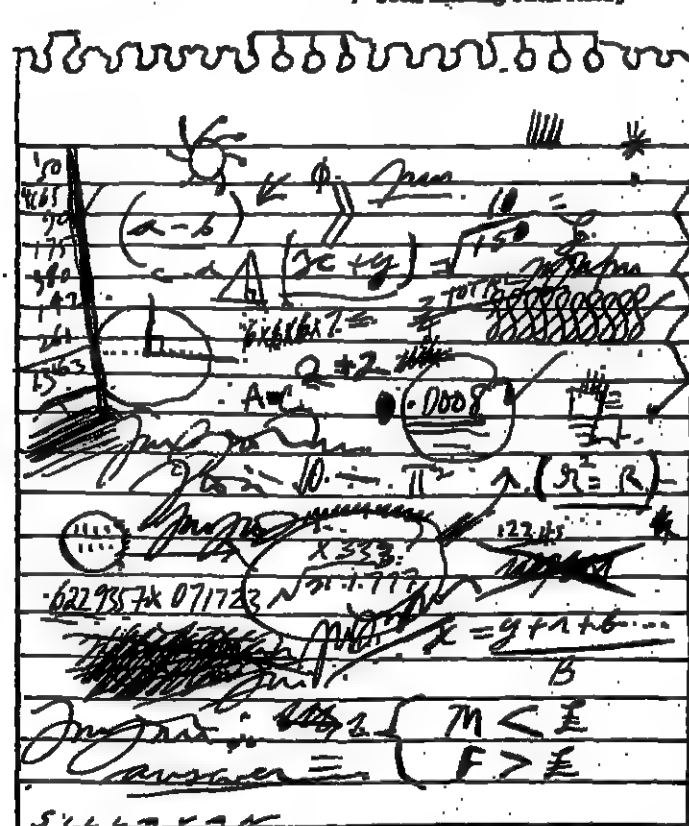
"So often personnel management is pushed into a backroom," says Peter Nicholls, personnel manager of Celltech, another biotechnology research company started in Slough in 1980 to develop and exploit British ideas and inventions in genetic engineering. "Here it is very much part of the company." He joined Celltech when it was about 250-strong and has helped double its size in less than three years.

At recruitment fairs graduates are not asking about salaries – they simply assume these will be competitive with other companies. They ask about the opportunities for further training and development. "We aim that about 85 per cent of our staff will have some formal training during the year," Mr Nicholls says. This can mean anything from learning another language at the company's expense, to reading for a PhD.

One of the young stars is Stephen Panton, 23, who joined Celltech in 1987 with honours in biotechnology from Leicester Polytechnic, starting work with a small team taking a new genetically-engineered drug from the laboratory into commercial manufacture. "There were eight of us then, in a company with about 250 people. Two years later we're a team of 50 and the drug is in full-scale production. My salary has increased by nearly one-third." For Panton "it's fast-moving, quite exciting – a very challenging environment. And I'm using the knowledge people went to a lot of trouble to teach me."

Further information: *Careers with Biology*, published by the Institute of Biology, 20 Queensberry Place, London SW7 2DZ, £3.60.

David Fishlock



## Technology snaps up all the physicists

"PHYSICISTS spend their working hours in observatories on sun-baked mountain tops, in hospitals and universities, huddled in tents on windswept glaciers..." Thus begins a booklet from the Institute of Physics, outlining the professional opportunities which are increasing as the world grows more dependent on technology.

Take the use of physics in medicine, for example, where it extends from monitoring body temperature to making a body scan. The medical physics department of the Sunderland District Hospital was started by Dr David Williams nine years ago. He began with two assistants and has built it into a team of 18, which includes five more medical physicists like himself and six medical physics technicians.

The scope of its work has broadened to embrace an understanding of nuclear medicine, X-rays, ultrasonics, lasers, and technical aids for the handicapped. By the accurate calibration of equipment, it is concerned with the safety of patients and staff so that the patients receive the right doses. It also helps develop new

measuring blood flow in patients on kidney dialysis.

The basic requirement to enter this field would be a degree in a physical science, but Dr Williams says it is now common for medical physicists to take an MSc, or to start with a PhD "because research and development are substantial parts of many medical physics jobs".

In-service training will take a new entrant about four years. The training scheme used by medical physics departments is that of the Institute of Physical Sciences in Medicine. It takes graduates with first- or second-class honours degrees in physical sciences or mechanical or electrical engineering. The initial two years is roughly equivalent to an MSc degree, and is followed by two years of research.

The student is supervised by his department and externally. Starting salary is £10,000 to £11,000, rising to about £14,000 during the last year of the course. These salaries are determined nationally for National Health Service hospitals but may be higher for the few post-graduates with hospital experience in industrial companies.

The Institute's booklet *Working in Physics* offers many case studies of this kind. A survey in 1986 suggested that 30-40 per cent of British physics graduates work in research and development for industry, and another 25 per cent have non-technical jobs in finance, commerce or management. About 15 per cent are in public service, and about 10 per cent in medical physics.

A more recent survey of remuneration for its 11,263 members, in January this year, suggests (on the basis of a 52 per cent response) that median salaries rise from about £12,500 a year in the mid-20s to upwards of £26,000 by the mid- to late-30s.

The best-paying sectors for physicists are the nationalised industries and AEA Technology (UK Atomic Energy Authority), with central government paying £2,000-£3,000 less on average, and local government less still.

Women students should be warned that in each age group women receive lower median salaries than men and the difference increases significantly with age.

The Institute of Physics has been making such salary

## SECURITIES

### Choose your market well

THERE are two rival views of the UK's securities industry. One is that the generally low level of activity in the markets since the 1987 stock market crash has greatly reduced the opportunities for graduates, along with all other employees. The graduate recruitment figures seem to bear this out. Shearson Lehman's 1988 investment bank, took on a dozen graduates in London last year; this year it is looking to recruit only one. It blames market conditions.

Others have seen a similar, though less pronounced, fall in their need for new graduates. S G Warburg, the British investment bank which is one of the largest City employers of graduates, took on 30 in 1987. That slipped back to 24 this year; Nomura, Japan's (and the world's) largest securities company, also recruited 30 in 1987. This fell to a dozen by last year, but has risen to 15. These figures include graduates taken into banking (in the case of Warburg) and corporate finance (Nomura), although the majority of recruits in both cases find themselves in securities-related jobs.

The figures reinforce the belief that the securities industry (embracing all forms of researching, trading and broking of shares, bonds and other securities) offers far fewer opportunities than during the confident days of the mid-1980s.

The alternative view of the securities business is that while some markets may be flagging, new ones are opening up all the time, creating continual opportunities.

For instance, UK equities or Eurobonds may not appear as exciting as they once did, and Japanese equity warrants (last year's big profit-earner) may have taken a tumble due to the slide in the Tokyo stock market this year. But other markets have grown strongly: continental European equities have become a staple earner for London houses, along with derivatives such as futures and options.

This view seems to be borne out by employment figures for the industry as a whole. Early in 1987 – generally reckoned to have been the high point for the industry, when stock markets were still rising strongly and London had just been through the deregulation of Big Bang – the companies which belonged to London's International Stock Exchange employed 20,000 people.

By the end of 1989 this had risen to 24,400, despite unsettled markets and a spate of lay-offs and closures.

The lesson from this: there is still growth in the industry, provided you pick the right market. Pick the wrong market, and your job could evaporate overnight. The problem is that nobody can tell you with any certainty what will be in or out this time next year.

Graduates generally get little choice in where they end up. While the investment houses like to say that graduates can choose where they work, the reality is that the jobs on offer to them depend on the state of the markets at a given moment.

Employment levels are not the only indicator of prospects in the industry. The erratic profitability of securities companies provides a surer guide. Firms which belong to the International Stock Exchange lost £26m between them in 1988, but made combined profits of £50m in 1989 (still meagre, given the scale of the business).

The earnings, as well as the jobs of their employees hang on these wildly fluctuating figures. Bonuses are partly profit-linked and so can vary greatly year by year. In 1989, for instance, bonuses accounted for 23 per cent of the average employee's pay, compared with 13 per cent the year before.

Companies stress, though, that bonuses are discretionary: they do all they can to make sure their best people are amply rewarded, whatever the profitability of the company as a whole, to prevent them becoming disillusioned and moving elsewhere. Graduates generally fall outside the scope of bonus schemes during the typical two-year training period they undergo.

As the business of securities firms in London has changed, so their demand for graduates has changed. Most notably, the growing importance of international and cross-border business, rather than purely domestic business, means they are looking for more internationally-minded



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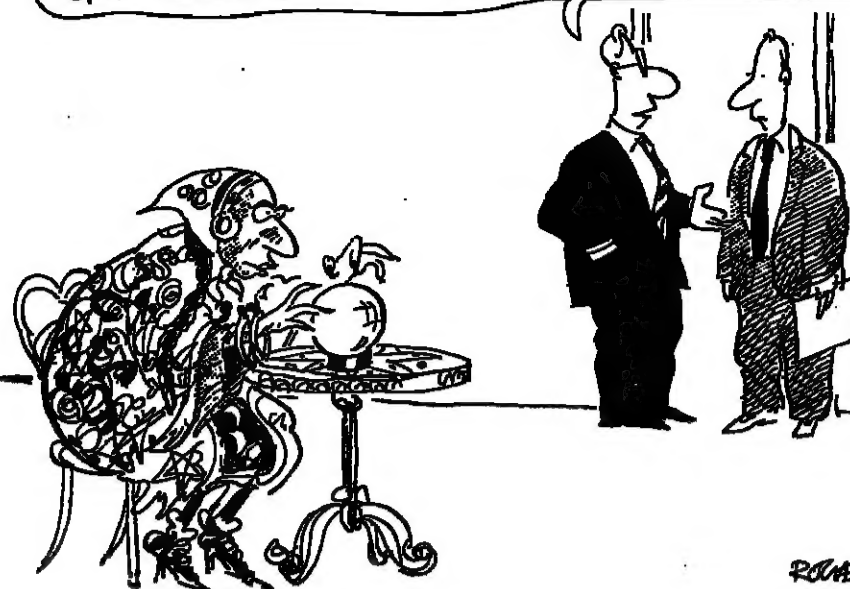
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مركز الأبحاث



LOOK, I KNOW WHAT YOU'RE THINKING BUT I'VE GOT THIS  
GUT FEELING SHE COULD BE A GREAT FUND MANAGER



ROVER BEALE

Continued from previous page  
investment house, says that of its intake of 15 this year, seven are not UK nationals. Similarly, of Warburg's 24 graduate recruits this year, 11 are non-UK citizens.

The academic disciplines of recruits varies, although some companies note a shift towards a scientific and mathematical training.

Once employed, most graduates will find themselves going through an initial training which lasts from six weeks (Warburg) to three months (BZW). Foreign houses like to give their new recruits a taste of life at head office: with Nomura that means four weeks in Tokyo, with Merrill Lynch, six to eight weeks in New York.

This is followed by a job in the front line. The quality and extent of on-the-job training depends on the person running the department where the graduate has been placed.

Most graduates at this stage express an interest in fund management, corporate finance or research, but the majority end up in sales, where they are responsible for maintaining links with and obtaining buy and sell orders from big institutional investors.

Most big houses this year are offering £17,500 to £17,500 as a starting salary, though US companies generally live up to their reputation of paying more, with salary plus perks (such as a subsidised mortgage) in excess of £20,000. A £1,000 "signing-on fee" is also becoming increasingly common.

After the first two years, salaries rise fast: sales staff who are any good will soon find their salaries rising to a base of £30,000 to £35,000. Further information: International Stock Exchange, Public Information Office, Old Broad Street, EC2N 1HF; British Merchant Banking and Securities Houses Association, 6 Fredericks Place, London EC2; The Ivanhoe Guide to the Banking and Securities Industry (1991 edition due out early October), for distribution details contact publishers Ivanhoe Press, Kings Meadow, Ferry Hinksey Road, Oxford, OX3 0DP (06-95).

Richard Waters

## Success is being top at all times

"It's nice being at the top, and it's even better finding your rivals at the bottom," said one City fund manager when asked to describe his idea of job satisfaction.

As a fund manager, your job is to select shares, bonds, properties or private start-up companies for investment with the idea of making the greatest possible profit. Of course, you are investing someone else's money, such as a workers' pension fund or the inheritance for a charitable trust.

Fund management is not like playing with Monopoly money - there are real lives behind the money you invest and the work is serious.

You may not need a background in economics, but if you are to succeed, you must be numerate. And remember, most fund managers share a fascination for companies and the factors which influence their share price, so if the idea of trying to pick undervalued companies does not appeal, this job is probably not for you.

The main employers of fund managers are insurance and pension companies, unit trust and investment trust groups and investment management groups. The latter look after portfolios on behalf of institutional and private clients.

Furthermore, fund

are the key to attracting new clients), a pension fund or a private portfolio, somebody will be watching your performance. And for a fund manager, nothing could be more humiliating than lagging the field and underperforming any of the key stock or bond performance indices which measure performance. If your fund performs poorly, you could well be "invited" to accept move into a less conspicuous job at the company - or to move elsewhere.

In theory, fund management is simple: you make your financial gains by buying shares in companies which you consider to be undervalued, and selling them once they have risen in price. In practice, of course, this involves considerable skill, deciding when is the right time to buy or sell or simply hold tight.

Companies differ in their recruitment and training policies. In many cases employers are not particularly concerned about your degree subject, although some prefer graduates with an economic background. Some companies recruit straight from university while others prefer to select graduates who have already spent a year or so in the City. International firms are active in UK fund management alongside the major British firms - possibly an advantage for those who would like to work abroad.

Although fund management is predominantly London-based, Scotland has more than its fair share of employers. Edinburgh is home to such well-respected firms as Standard Life, Edinburgh Fund Managers, Scottish Equitable and Scottish Widows, whose Far East Emerging Economies unit trust was the top performing fund in 1988 and 1989. One of Abtrust's fund managers says: "We look at graduates but sometimes you find they want to run the business after three days. We prefer people who have had a little experience in the City." At a company such as Abtrust, you will be placed next to a fund manager and expected to learn at his knee.

As a result you could find you are given more responsibility than in one of the bigger fund management

houses which run formal training programmes.

If you are not sure that you want to go into fund management, a banking conglomerate offers more broad-based training. For example, Barclays de Zoete Wedd, the investment and broking arm of Barclays Bank, recruits 20-25 graduates a year. Graduates are given a three-month training course covering such subjects as accounting, company law and making presentations. Over 21 months, they are attached to departments such as equity markets, corporate finance, banking, or fund management, before deciding on a speciality.

Meanwhile, many big companies eschew graduate recruitment programmes. Some, like Legal & General, which manages some £15bn in funds, have decided that graduates are a fickle bunch, only too happy to leave for another firm and a bigger pay cheque. "Our experience was that you train 'em and lose 'em," said a spokesman. "It was a complete waste of our time."

It is still true to say that with a track record in fund management, you can move fairly easily between employers.

When it comes to pay, you will probably start off at between £14,000 and £20,000, and if your fund performs well, your salary will rise rapidly. A fund manager in his or her mid-30s could be earning around £30,000-£40,000 plus bonuses.

Further information: The Unit Trust Association, telephone 071-831 0888.

Sara Webb

## SPYING

### Spooks get the cold shoulder

MORE than ever before Britain's spies are feeling left out in the cold. After years of waging moral - and immoral - war against the "evil empire" they have now discovered that they have been left without an obvious enemy. The previously menacing Russian bear has become just a bit too cuddly for their liking.

Rather than risk life and limb unearthing the KGB's secrets they can now glean them from press conferences. During the Gulf crisis, the Soviets even handed over details of Scud missiles, used by the Iraqis, to the Pentagon.

The outbreak of peace is simply not good news for Britain's spooks. Their shadowy world is disappearing in the glare of glasnost. Their entire raison

d'être is seemingly being called into question.

Or is it? Although Britain may not have permanent friends or enemies it does have permanent interests, and those interests include unearthing information about foreign countries that they would rather keep secret.

Peter Wright revealed in his controversial book *Spycatcher*, that MI5 was just as busy in the 1960s bugging the French - "reading the Frog's traffic" - as it was eavesdropping on the Soviets.

For three years, between 1960 and 1963, MI5 and GCHQ read the French high-grade cipher coming in and out of the French Embassy in London... The intelligence was avidly devoured by the Foreign Office, and verbatim copies of De Gaulle's cables were regularly passed to the Foreign Secretary in his red box," Mr Wright says.

Almost certainly the need for intelligence on our European Community partners will continue.

One can easily imagine the fervent efforts that must now be taking place to determine German aims and ambitions in the wake of re-unification.

Other areas of the world are also likely to command greater attention in worried Whitehall offices.

The Gulf crisis will have concentrated minds on Britain's intelligence network in the Middle East and the continuing ulcer of terrorism in Ulster will continue to demand effort and resources.

But although the need for espionage may not have diminished it appears its appeal certainly has. By all accounts - infrequent and unreliable though they are - the UK's intelligence services are suffering from a recruitment crisis.

Britain's graduates, it seems, are simply too ideologically pure or perhaps too cynical to contemplate a career in "other unadvertised positions in the civil service".

It has to be said that neither MI5 nor MI6 have been particularly good at marketing themselves. Careers services do not stock many of their glossy brochures nor are the intelligence services prominent at careers fairs. The fact that they do not officially exist obviously poses a peculiar set of problems.

But for those who may seriously be interested in a career in the intelligence services there are perhaps several ways of making your interest known. One way is to approach your careers service and ask them about the possibility. Some careers advisers are briefed to steer suitable candidates in the right direction.

If that does not work then apply to the civil service like any other graduate and hope your particular skills are noticed. Spies are also recruited by way of national press advertising although it is difficult to spot the specific advertisements.

Austin Knight, however, seems to be a favourite recruiter and has run advertisements in the past asking for candidates for various unspecified "challenging and demanding" positions. Others are reported to have joined the service via the police or army.

Of the two branches of Britain's intelligence services, MI6 tends to think of itself as the senior service. It certainly has more glamour about it as its officers trip around the world masquerading as diplomats.

MI5 spends its time nullifying the efforts of foreign spies, keeping an eye on terrorist activities and countering the unsocial work of internal subversives, which in the past have included MPs, ministers and miners.

But a career as a spy undoubtedly has its disadvantages. Apart from the moral dimension, it must be peculiarly frustrating not being able to tell anyone about what you do. Although other careers such as merchant banking also involve a high degree of secrecy.

Malcolm Muggeridge, a former member of British intelligence, summed it up: "Secrecy is as essential to intelligence as vestments to a Mass, or darkness to a spiritualist séance, and must at all costs be maintained, quite irrespective of whether or not it serves any purpose."

But despite their appalling tradition of treachery and their absurdly secretive stance, Britain's intelligence services appear to have a good reputation, at least where it counts. In a recent interview with a British newspaper, a former head of the KGB, Vladimir Semichastny, hailed the British security service as "the cleverest in the world". Further information: Christopher Andrew's book *Secret Service* is a comprehensive and amusing chronicle of Britain's



Few areas of British manufacturing are as robust as the steel industry

## STEEL

### On a fast track to running the mill

BRITISH STEEL dominates graduate recruitment in the industry: this year it will recruit about 530. Among the smaller specialist steel-makers, steel-processors and distributors, recruitment is often ad hoc. The planned training programmes awaiting recruits at British Steel (BS) are matched by few other employers in the industry.

A career with BS will not be an endless round of dirty, smelly blast furnaces. In the past few years, BS has changed considerably as a business, and consequently its recruitment needs have changed as well.

First, it has invested in new technology to modernise production facilities, so its demand for computer and electronics specialists has risen. Second, it has become a more commercial, market-driven company. It has required a determined effort

to overhaul its former domination by middle managers whose main focus was on making steel. Now the focus is on making steel which can be sold, so the company expects its graduate recruits to be interested in the commercial aspects of the business as well as the engineering.

Finally, this commercialism does not just mean there is more stress on skills such as marketing and distribution; it infects production and product development as well. In research and development, therefore, there is more stress on developing products which are tailored to the needs of large customers such as the car companies.

Two-thirds of the graduates BS recruits each year are in engineering and technical areas. This year it plans to recruit about 40 mechanical engineers, 30 electrical engineers, 60 research engineers and about 80 in other areas such as metallurgy, materials and production technologies.

They will be trained to become chartered engineers, with attachments lasting about six months to different parts of the organisation, such as personnel, finance and marketing. After about 18 months, the recruits will be given their first line

management responsibility and move on to become assistant engineers. They typically become section engineers responsible for a part of a plant after another three years.

The company expects graduates, recruited on salaries in a range of £11,000 to £11,500, to become managers by the time they reach 35. On the fastest track a graduate recruit could become the plant engineer for a rolling mill within five years. The works director at its Shotton works, for example, is only 33.

They will have considerable responsibility for scores of workers and lots of expensive capital equipment.

Mr Clark says the company is looking for graduates with a good second-class degree, but it takes some with lower degrees, depending on their personal qualities and attitudes towards the industry.

The other third of the 330 required are graduates with general degrees, who will move towards more general management training in areas such as finance, computer and management services and marketing.

BS is becoming increasingly international in its ambitions. It recently made two acquisitions in continental Europe and plans to move into the United States. This means

more emphasis is being placed on language skills: all its big plants have language laboratories. Mr Clark does not expect the company will recruit many continental graduates to fill the gaps.

It seems a graduate recruit's career at BS is not without its drawbacks. Half leave within five years. Much of the turnover is due to familiar problems: recruits find they have chosen the wrong company, or the company finds it has made some mistaken recruitment decisions. A lot of people join to get a general training in industrial management, with no intention of making a career with BS.

Pay may also be an issue. As a plant engineer, a graduate will earn about £16,500, although shift payments and bonuses could add up to 30 per cent. There may also be a problem in meeting the aspirations of high-flying graduates within the organisation. Mr Clark says: "There is always the dilemma of the speed with which you give people responsibility in a capital-intensive industry, where lives could be at stake with a mistake."

Executives admit that in the past graduates have left because they were frustrated with the management culture.

The company is changing, however. The last cadre of non-graduate middle managers brought up within the old parochial culture are nearing the end of their tenure. They are being replaced by younger graduates, some of them promoted through the fast-track management development scheme introduced by Sir Robert Scholey, the company's chairman.

However, one reason for the higher turnover the company experienced in the early 1980s has gone. Then plant closures and redundancies led to direct job losses and uncertainty which caused people to leave.

Since then BS has been transformed into not just one of the best steel companies in Europe but into one of the most profitable in the world. There are few parts of British manufacturing not related to defence which are as robust.

Charles Leadbeater

## GRADUATES

At The Royal Bank of Scotland we appreciate that every graduate is different. That's why our graduate development programme is tailored to suit the needs of each individual.

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During your initial 18 months' training you will gain an overview of our business, by working in branches of differing size and customer base. You will then spend time working in central areas, such as Marketing, International, Personnel, Advances, Audit or the Legal Department. While you are training you will also be studying for your professional banking qualifications. With a combination of academic knowledge and practical experience, you should be ready for promotion to Assistant Manager at the end of your development period.

### Your Career Will Be Just As Individual

Our plans to open new branches and expand in other areas of our business, mean we can offer you a choice of career routes and a continuing flow of opportunities. You can look forward to an excellent salary, profit sharing scheme, free banking, interest on your current account and a variety of sports and social activities.

If you think you can keep pace with the speed of our development, and you're determined to reach the top, then, we'd like to meet you. We will be visiting many universities and polytechnics on the milkround. In the meantime, please write to one of the following people, for more information quoting reference number MFT 401.

Sue Moss, Personnel Department, The Royal Bank of Scotland plc, Regent's House, 42 Islington High Street, London N1 8XL

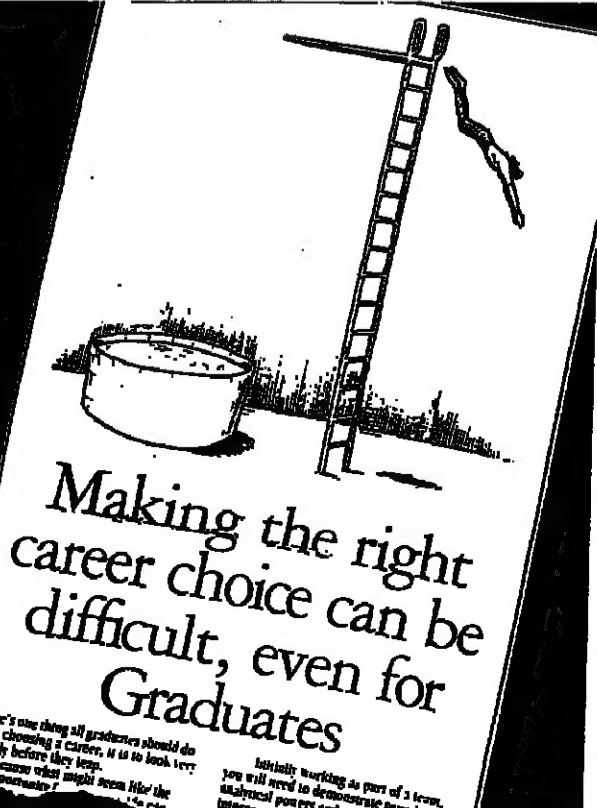
Peter Philp, Personnel Department, The Royal Bank of Scotland plc, 42 St. Andrew Square, Edinburgh EH2 2YE

Mike Hurlston, Personnel Department, The Royal Bank of Scotland plc, 45 Mosley Street, Manchester M60 2BE

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# T

TAX  
TELECOMMUNICATIONS  
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## You could be poacher or keeper

**POACHER or gamekeeper?** The student interested in the complex world of tax can have a choice of either.

The would-be gamekeeper joins the Inland Revenue's three-year training programme, after which he or she becomes a fully-fledged tax inspector; the poacher joins an accountancy firm and becomes skilled in the art of tax avoidance.

The Inland Revenue takes in more than £57bn a year from individual and corporate tax-payers; it has an annual budget of £1bn and a staff of 65,000 spread around a network of more than 800 tax offices across the UK.

This huge organisation is interested in employing graduates with first- or second-class degrees, from a wide variety of academic and social backgrounds, up to the age of 32.

The image of the tax-person may be bad, but the human qualities sought by the Revenue in its potential employees seem anything but dull. The Revenue says that the ideal tax inspector will have to be a combination of accountant, lawyer, investigator, negotiator, advocate and manager.

Accountancy skills are required to parry the arguments put forward by professional poachers; it helps to have a legal mind when thumbing through the Taxation Act; scepticism and curiosity are required when scrutinising taxpayers' annual returns, especially when trying to reconcile the lifestyle to the figures.

The bulk of tax affairs is settled by correspondence and personal interviews, hence the requirement for negotiation skills; advocacy comes in handy for those cases which cannot be settled other than in front of an independent tribunal.

Training in the early years is well structured, requiring a mix of study (for internal exams) and practical work.

the Revenue, you can expect to be earning some £25,000 if you live in London; again, not that different from the sort of salary earned (after three to four years, that is) by accountants.

The big accountancy firms recruit people directly from university into their tax departments; these people can opt either to train as chartered accountants or to take the Institute of Taxation exams which are much more specialised.

For many, working in tax is just a different way of spending the three years it takes to become a chartered accountant. One acquires tax skills but at the same time earns the highly-prized professional qualification. Some auditing has to be done - but this would be limited to perhaps a total of six months in the three-year training contract.

If you have not made a decision about what you want to do in the long term - and therefore take the ACA while in the tax department - there is no reason to fear that the specialisation will restrict your chances of getting a job outside the profession after you have qualified.

It is easy to argue that you have had direct commercial experience, which perhaps auditors have not.

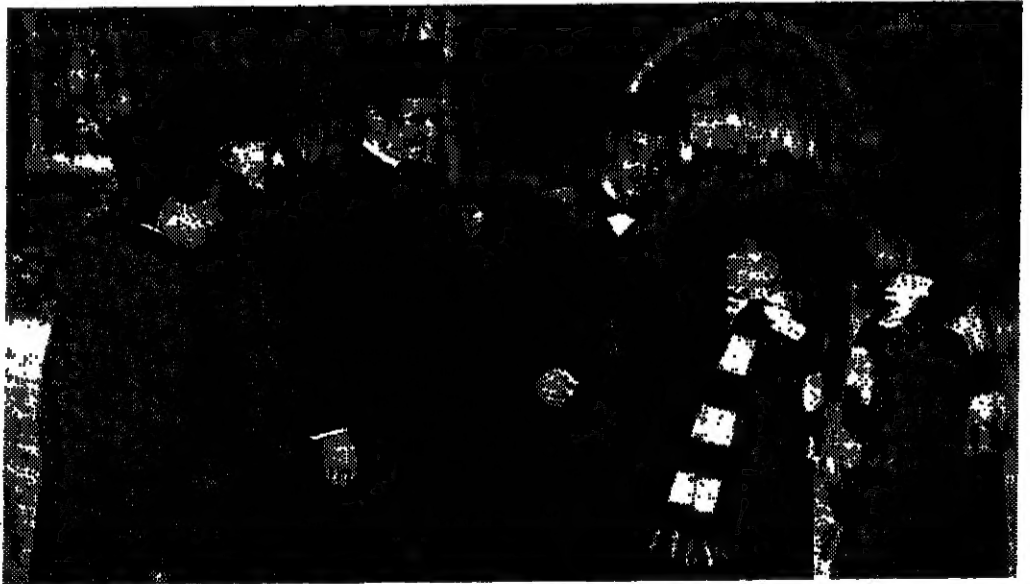
The tax avoidance industry has grown very rapidly throughout the 1980s, reflecting the growth in legislation, the increase in the amount of corporate activity, and aggressive marketing by the big accountancy firms.

A career in tax will be intellectually and commercially challenging - and remunerative, given the amount of money your expertise will save for your corporate clients. Early specialisation is the norm, though, and after a few years you could find yourself an expert in some arcane area of VAT law.

You could not lose by starting off as a gamekeeper, though - there is plenty of precedent for becoming a poacher later on.

Further information: The large accountancy firms; Inland Revenue, c/o the Civil Service Commission, Alencon Link, Basingstoke, Hants, RG21 1JB; Institute of Taxation, 12, Upper Belgrave Street, London SW1 XBB.

David Waller



Some of the romance may have gone the way of academic gowns, but demand is higher than ever

Soon after joining, you will start to take responsibility for simple tax cases, but as time goes on the complexity of the workload will increase.

As in the mainstream civil service, there is a well-defined career path open to the graduate recruit, which will lead reasonably swiftly to higher positions. At each level in the hierarchy, there will be opportunities to do different jobs, from investigating fraud to solving the problems posed by the arcane details of the latest Double Taxation treaty.

It is a busy job, requiring plenty of common sense and "people skills" as well as a grasp of tax technicalities; in the early years at least there is rapid promotion and a camaraderie rarely found in the private sector.

During the 1980s, many thousands of senior tax inspectors left the Revenue to take jobs in the ever-expanding accountancy firms, or setting up on their own to provide avoidance advice. They left less because of poor morale than because of money: the offers coming from the private sector were simply irresistible when compared to the civil-service salaries on offer in the Revenue.

It remains true that over time, the tax specialist affiliated to the accountancy profession will make more money than even the most senior tax inspector. However, recruits to the Revenue are well paid: under 26, working in London, you will not get less than £12,350, or £10,135 in the provinces. These salaries compare well with those offered to recruits into mainstream accountancy jobs, although those who chose to specialise in tax from the

## TEACHING

### Alarm in board and chalkdust circles

**YOU'VE** seen the television commercials. "Teaching brings out the best in people," the ads confidently announce. In the background, eager children struggle to grasp critical facts in well-furnished classrooms.

The campaign was commissioned by the Department of Education and Science which is alarmed at the growing number of teacher vacancies which threatens its efforts to revamp the nation's education system.

The ads do portray accurately one side of the story. Teachers say the job really can bring out the best in people. Helping children learn can be a truly rewarding experience, far more so than developing a data base for a financial service company or selling life insurance.

Also, those entering teaching now will be on the cutting edge of the government's efforts to introduce a National Curriculum.

In most parts of the country, schools are short of teachers. A recent survey conducted by the Department of Education and Science found that there were nearly 6,500 vacant teaching posts in state-maintained schools during the 1989/90 academic year, a 50 per cent rise over the year before. And even that, teachers' unions say, is understated. The nation's

estimates that the number is probably double that. The DES survey, they note, does not count as vacancies the posts filled by temporary teachers or by teachers not qualified to teach that particular subject.

Although the official government line is that teacher shortages reflect intense competition for graduates from other industries, there is little doubt that the low salaries discourage recruits. Starting salaries this academic year are £9,342, but a graduate with a second-class degree can earn £10,047. However, the difficulties really begin after a few years. Top salaries are £15,723, rising to £18,002 in January 1992 - and that's after five years.

However, if you shop around and are willing to be flexible about where you work, you can find a better deal. Some particularly hard-pressed inner London districts will pay up to £1,500 on top of basic salaries and throw in other benefits. Tower Hamlets, for instance, where more than 200 children were turned away from school last year for lack of teachers, is offering low-rent housing. Others, such as the outer London borough of Sutton, are offering to pay moving costs and other packages valued up to an additional £9,500.

But even the perks are often not enough to compensate. Ms Sian Dickens, 24, has just completed her probationary teaching year at Preston Manor High School in the London borough of Brent, and says she is not sure she will teach beyond the year. As a technology teacher who trained in crafts, she works in a department where three of six instructors quit in the past year and she has had to train their replacements. Frequently, the school does not have enough supplies to allow children to carry through imaginative projects which they have designed themselves. "And on top of that, when you see your friends earning so much more, with a company car thrown in, it's kind of soul-destroying," Ms Dickens said.

Still, conditions at different schools vary widely and conditions in different districts vary more widely still. Those looking for a post may wish to steer clear of districts that have been poll-tax capped. These are likely to be faced to engage in budget-cutting which, even if it means teacher jobs are spared, will reduce overall spending on education so that conditions are tougher.

Mr Dick Bolland, assistant secretary of the NUT, urges graduates to interview prospective employers. Shop around for a job and take advantage of the trend among schools to advertise vacancies themselves, rather than having recruitment handled through the local education authority. These schools generally allow the applicant to visit the school informally, pre-interview, and meet the staff. "One of the most important things to ask is whether the school has a stable staff," Mr Bolland says. A high turnover could indicate low morale or tension. Also, a visit will allow you to get a better idea of how well resourced a school is.

Mr Bolland also suggests graduates ask about induction courses - the instruction offered to probationary year teachers to help them get to know their job. The level of a school's pastoral care for students is also an important part of a school's culture. Find out whether there is co-ordinated effort to help troubled children, he suggests.

For those students who did not attend teacher training college, there are other ways to enter the profession. Graduates in any subject may go on for a one-year certificate, the Post Graduate Certificate in Education, for which local authority grants are available. Those who need to work while studying may apply to some local authorities to participate in the articulated teacher scheme. This allows you to teach part-time and attend classes part-time, achieving a PGCE in two years. Although the salary is greater than a university student's grant, it is less than that offered to new teachers.

Finally, those who would like to teach but cannot face any more schooling may consider working in the private sector. Many schools are willing to take graduates with good degrees and no teaching background. However, Mr Bolland warns that "there are dozens of educational bucket shops out there where pay is terrible and conditions are appalling". So choose your school carefully. Remember, they probably need you more than you need them.

Further information: Department of Education, Teaching as a Career Unit (TASC), Elizabeth House, York Road, London, SE 1, telephone 071-854 9000; National Union of Teachers, Hamilton House, Mabledon Place, London WC 1A

## TELECOMS

### Industry hanging on for big changes

**THE UK** telecommunications market is in the throes of extensive restructuring. Whereas a decade ago, the opportunities for graduates wishing to enter the industry were with British Telecom, which had a statutory monopoly to supply services, or with one of its traditional suppliers, there is now the chance to join either Mercury Communications or Racal Telecom - BT's two main competitors.

More competition is in prospect, as the government launches a wide-ranging review of telecommunications policy this autumn.

One effect of the BT monopoly was to dull the employment prospects of graduates entering the telecommunications market. A career with BT may have been a safe one, backed up with relatively good training, but it was not necessarily an exciting one. The advent of some competition and the prospect of even more is likely to change this, and to lead to upward pressure on salary scales.

Much of this culture change will still take years to work through. BT is still the dominant employer in the market place and the largest recruiter of graduates. An ambitious graduate, therefore, might be advised to start with BT to gain experience.

Telecommunications companies are looking for a mixture of graduates with a background in electronic engineering and those with general or business degrees. The engineers will be used in research and development for new communications products, the design of software and supervising maintenance and manufacturing. General and business degree graduates are in demand for marketing, finance, personnel and other functions.

There seems to be little or no discrimination between graduates of polytechnics and universities. And, except for research functions, employers say they are less concerned with the class of a person's degree than with his or her personality.

One area where the telecommunications industry has a bad record is in the employment of women. The telephone companies say they wish to employ more women, but not enough apply.

A number of mergers with foreign-owned companies has called into question the ability of Britain's leading telecommunications manufacturers to remain independent. Foreign ownership may be necessary to provide the economies of scale that are needed to develop the next generation of products. However, it raises the possibility that some of the most interesting engineering and research work will be done abroad.

BT is this year planning to employ 300 or more graduates, sharply down from the 700 it was quoting this time last year. The cutback seems due largely to a significant reorganisation, which involves making 5,000 managers redundant.

BT is now putting a greater emphasis on "quality" in the graduates it employs, a term it uses to mean candidates who have the potential to be senior managers and who are "well-rounded". This change of emphasis is part of the company's strategy for bringing about a change in culture throughout the whole organisation. More than 70 per cent of the graduate intake will go into information technology or engineering functions. For these jobs, computing or networking experience at a university or polytechnic will be useful, but the company will consider training graduates who do not have any relevant degree to become computer programmers. Graduates going into research will usually need fairly specific experience.

The remaining graduates will be recruited into marketing, sales, finance and customer service. Almost any degree will do. BT is looking increasingly for people with combined degrees, such as engineering and management.

Graduates will start on a minimum of £10,000 a year, although most would be in the £11,500-£12,000 range. There is, in addition, a £2,250 inner London weighting. The company says that a good graduate who is ambitious could by the age of 30 have a company car and be earning a package worth £30,000.

Mercury, which is BT's only rival for basic communications



British textiles: the industry is alive, but has been in recession almost since the war

will be in the electronics and communications fields. The company will take graduates with any discipline for accounting, marketing and information systems.

The dynamic Racal Telecom, which runs the Vodafone cellular network, is recruiting 40 graduates this year. It will not disclose how much it plans to pay them, but last year the starting salary was £10,500.

GPT is the largest equipment manufacturer in the UK. Next year it expects to recruit 200 graduates, down from the 300 it has been taking on in previous years. About 60 per cent of the graduates should have experience in software; 20 per cent in electrical and electronic engineering; and 20 per cent in other disciplines.

STC Telecommunications is looking to recruit about 90 graduates next year, of which between 50 and 60 will become engineers. They should have backgrounds in software, computer sciences or electronic engineering. The rest will be used in marketing, manufacturing, personnel and finance, where business degrees or general arts degrees will be considered useful qualifications.

A further 20 people will be employed by STL, the company's central research laboratories in Harlow, Essex.

The company is particularly keen to attract graduates with foreign languages, especially French, German, Italian and Spanish.

Hugo Dixon

## PROFILE: BT

### Planning on growing leaner and meaner

**BRITISH** Telecom is a vast organisation by any standards. With 220,000 employees, turnover of £12bn, and operating profits of more than £3bn, the company is not only one of the largest groups in the UK but also of the world.

BT's size, however, is as much a weakness as a strength. Six years after privatisation, it is still excessively bureaucratic. There is little sense of dynamism, and attempts to encourage BT's staff to treat customers more efficiently and courteously have produced only small improvements.

The lines of responsibility are stretched and blurred, the result that customers often feel there is no mechanism for getting their problems solved. This sense of impotence can also be felt by the group's employees.

Competition in the form of Mercury Communications has been only a piprnick. Mercury has less than 5 per cent of the

Renewed attempts, however, are now being made to shake BT up. There is a two-pronged attack: one being instigated by BT's top management; the other by the government.

As part of a massive reorganisation programme called Operation Sovereign, which was launched earlier this year, BT is attempting to cut out the bureaucracy by making 5,000 managers and 5,000 other staff redundant in twelve months. This may be followed by further job cuts in subsequent years.

The idea is to reduce the number of layers in the organisation so that decisions can be made more quickly and responsibility can be more clearly identified.

At the same time, BT is being restructured as a "customer facing" organisation. This involves disbanding BT's previous structure based on 27 regional districts, which BT's top management felt were growing into independent baronies, and replacing them with two principal customer facing divisions - one for personal customers and the other for business customers.

Supporting these will be a worldwide network division, responsible for constructing and maintaining an advanced telecommunications infrastructure.

In parallel with these moves by BT, the government will unveil proposals later this year for more competition in the market, in an attempt to keep BT on its toes.

All this means that graduates joining BT next year will be entering the company at an interesting time, but also a time of great instability. If these initiatives are sufficient to instil the sense of dynamism that BT so desperately needs, graduates can look forward to the prospect that maybe five years from now their employer will be leaner and meaner.

Further information: See story above.

H.D.

## TEXTILES

### Material challenge to change an image

**AT FIRST** glance a career in the textile industry does not appear to be the most attractive option for an ambitious, young graduate.

Textiles is, after all, an industry in decline. It has never succeeded in shrugging off its image of dark mills and sweatshops, and it has been one of the worst affected areas of manufacturing industry in the present economic recession.

staff in the past year or so. This summer the recession claimed its first big casualty when Coleroll, one of the leading companies in the industry, went into receivership.

But behind the headlines about rationalisation and redundancies, there are a number of large companies in the textile industry with a broad spread of international interests which are eager to attract ambitious young managers for the future.

Coats Virella and Courtaulds Textiles, the biggest players in textiles, operate comprehensive graduate recruitment and training programmes. The other large forces - Dawson International, William Baird and Tootal - also offer opportunities for graduates.

The textile companies do recruit a number of graduates from the specialist textile courses at institutions such as UMIST in Manchester, Huddersfield Polytechnic or Leeds University. But they are also looking for people with general degrees in business studies, the arts or sciences.

Coats and Courtaulds Textiles see themselves as competing against the general round of industrial companies.

As a result starting salaries in textiles tend to be comparable with those elsewhere in industry. The graduate recruits at Coats tend to begin with a salary of around £11,500.

The disadvantage of choosing a career in textiles is, of course, the fragile condition of the industry. Textiles has been in decline throughout the post-war era since the newly-independent countries in Asia and Africa started to export cheap cloth and clothing to Europe.

There was a brief respite for the industry in the mid-1980s when the combination of buoyant domestic demand and a favourable exchange rate made the UK companies more competitive, but for the past two years the UK textile companies have been struggling in intensely competitive conditions.

The industry's problems have affected attitudes to recruitment. Courtaulds Textiles is looking for 30 new recruits this year, compared with its usual complement of around 50. Coats hopes to hire 35 people this year; two years ago it took on nearly 70.

The large textile companies, of course, can offer everything from high-tech spinning mills, to clothing factories crammed with machinists, to designers. This means a young recruit can quickly build up experience of management in a wide variety of disciplines and cultures.

Courtaulds Textiles' recruits tend to begin with a production job in one of its subsidiaries. "We like to make sure that they know how the product is made and how the

JPL 10/15/89



Continued from previous page management services. They then move on to more conventional areas of management such as marketing or finance.

At the end of their three-year "Young Managers Development Programme" the company discusses the sort of job that will best suit them.

Another advantage is the international scope of the textile industry. All the big companies own extensive overseas subsidiaries. Tootal, which has significant interests in Asia, now recruits its graduates on an international basis.

Coats has a special programme for the *crème de la crème* of its graduate recruits who are sent abroad immediately.

These people will be moved around its interests in Latin America or Asia and can expect to become directors of a small overseas subsidiary – sales director in Peru, for example – within two or three years.

So far would-be graduate recruits seem to have decided that the advantages of a career in textile outweigh the disadvantages. Coats Viyella received 1,500 applications for its 35 graduate openings last year – exactly the same number of applications as usual.

Further information: British Textile Confederation, 7 Swallow Place, Oxford Circus, London W1R 7AA; Coats Viyella, Bank House, Charlotte Street, Manchester M1 4ET; Coats Viyella, 12-14 Margaret Street, London W1A 3DA; Dawson International, 9 Charlotte Square, Edinburgh EH2 4DR; Tootal, 19-21 Spring Gardens, Manchester M60 2TX; William Baird, 79 Mount Street, London W1T 5BB.

Alice Rawsthorn  
**TRANSPORT**

## Move in before the dust settles

ADAPTABILITY ranks high among the attributes needed by anyone contemplating a career in Britain's passenger transport industry, for rarely in its history has it been in such a state of flux.

Never mind the unenviable strain on the transport infrastructure caused by years of under-investment and a sudden upsurge in use, nor even the shift towards a more market-orientated approach in which passengers are increasingly referred to as customers. No, the really fundamental change reverberating throughout the industry is its gradual deregulation and privatisation, which began with the denationalisation of the bus industry in 1985 and could also transform the rail industry in the event of a Conservative victory at the next general election.

The 1985 Transport Act heralded a new era for the bus industry, sweeping away years of close control over route licences in favour of a system that allowed anyone to run a bus service – provided they did so safely. At the same time, the state-owned National Bus Company was split into 72 local companies, and the big municipal operators were ordered to be put on a commercial footing with a view to gradual dispersal into the private sector.

The first product of this shake-up has yet to settle. The industry is now characterised by scores, even hundreds, of tiny to medium-sized companies, but the number is beginning to diminish as the strong absorb the weak.

For graduates, the upside of the new system is that it means anyone with entrepreneurial flair and access to capital can enter the fray as an independent operator – although the intensity of the competition suggests this is unlikely to be



Management trainees at London Buses get down to basics

a fast road to wealth. The downside is that the fragmentation of the industry means formal graduate training on any organised scale has virtually ceased. Where it exists at all, it is mostly done on a sporadic basis by individual companies through trawls of local universities and polytechnics.

One exception is London Buses, now easily Britain's biggest bus company pending its long-delayed privatisation: but even here, only four graduate management trainees will be taken on this year.

Starting pay at today's levels is about £12,500, and recruits spend up to three years training, *inter alia* picking up their PSV driving licence before passing into a middle management job – say, as an assistant manager of a garage on about £15,000 to £16,000 basic. Ten years later, they might hope to be commercial director or managing director of one of the 11 operating subsidiaries, picking up £35,000 or more.

With the bus industry suffering from a sadly unglamorous image, however, most graduates with a transport bent head for British Rail or London Underground, where the opportunities are wider.

BR, for example, recruits no fewer than 150 graduates a year on to an array of 11 schemes, ranging from general management, finance and personnel through to mechanical and electrical engineering, civil engineering and procurement. A further 60 graduates a year, recruited all year round, go into computing.

Starting pay varies widely by scheme because it is market orientated, but as a guide, the level for general management trainees is £10,500, and for engineers, £12,100. Neither figure includes London weighting of £1,285.

Working for BR offers a high degree of responsibility at an early age. After a year of training on all aspects of running a railway, a general management trainee can find him or herself on £12,200 (plus weighting if applicable) as a station manager in charge of a group of stations, signal boxes and train crew depots. After five or six years, he or she could be earning £24,000 basic as, say, route marketing manager for a line such as Thameslink.

Advantages of working for BR include the wide geographical spread of employment opportunities, a degree of mobility between disciplines, tempting travel perks, and a strong commitment to equal opportunities. Promotion in the engineering functions, however, can be sluggish: and anyone looking for a quiet life should ponder the challenges inherent in a nationalised industry under immense pressure to transform itself into a commercially-orientated, profit-making business in the run-up to its widely expected privatisation.

London Underground provides an alternative career on the railways for about 40 graduates a year. These are spread over 10 training

schemes ranging from passenger service management to engineering functions.

Starting pay is a competitive £13,000 plus free travel on the Underground and a 75 per cent discount on BR. After 15 months' training, a graduate might look forward to a first appointment as, say, a station manager earning between £15,000 and £19,000.

As with BR, train spotters are best advised to play down their proclivities at the interview and stress their interest in business management instead. Says Alistair McIntosh, graduate recruitment manager: "An interest in the way a railway runs is an advantage, but we don't want people who see it as their own very large train set, because they tend to see things from an operational point of view rather than from a customer's point of view." Further information: Bus and Coach Training Ltd, Gable House, 40 High St, Rickmansworth, WD3 1ER; British Railways Board, Euston House, 24 Eversholt St, London NW1 1DZ; London Transport, 55 Broadway, London SW1H 0BD.

Richard Tomkins  
**Toss away your string vests and Yorkie bars**

MENTION the distribution industry and the most immediate mental image is an overweight trucker, paunch held in place by a string vest and a steering wheel, thundering down the M1 in a 40-tonne truck with a Yorkie bar stuck in his mouth. This, it would be imagined, is not an industry for graduates.

This image is, however, out of date. Since the early 1980s the distribution industry has undergone a transformation. For one thing, much of the sector now likes to call itself the logistics industry.

For another, the issue of controlling and transporting raw materials and finished goods has become a priority for many businesses anxious to reduce the amount of money they have invested in stocks.

In a word, logistics have become – almost – sexy. Not that the traditional trucking company – or trucker – does not exist. They do. There are still plenty of small general haulage companies in the business of shifting goods from point A to point B. Few, it should be said, are interested in graduate trainees.

The companies that are interested in graduates tend to be distribution and logistics specialists, involved in managing anything from vehicles to information technology, warehousing, route planning, inventory control and forward planning.

The largest recruiter in the field is NFC, formerly the National Freight Corporation, which takes on about 70 graduates a year from 1,300

applicants. The company says it will take on trainees from any discipline, although it also looks for students from computer studies courses to work in its information technology departments.

This year NFC also took on six graduates from France and is looking to find trainees from Germany and Spain as well to reflect the company's long-term strategic interests. NFC employed 14 women last year from a total of 70 graduates and would like to sign up more, but suffers from a shortage of applications from female students.

The company also offers work experience and sandwich course industrial experience on either six- or 12-month placements. A number of those on these placements are subsequently asked to apply for traineeships.

The main asset needed to work for NFC is people management, according to Mr Barr. He says he is looking for people with the potential to develop management skills. Distribution has become increasingly customer-orientated, and the ability to communicate effectively with others and create a partnership with the customer is important.

Another critical ability he says the company looks for is dependability. "We're looking for people who, if they say they are going to do something, do it," he says.

The intellectual calibre of trainees is also becoming increasingly important, says Mr Victor Ross, the group personnel director of the transport division, BRS.

A new graduate at NFC is allocated to one of the divisions within the group, ranging from Exel Logistics to Pickfords or BRS, the transport company which takes on the largest number of graduates. Each division has specialist training, although all the trainees do the certificate of professional confidence.

The job involves early and significant responsibility, explains Mr Barr. Part of the attraction of working in the sector is that there are so many small locations that there are opportunities to become responsible for a profit-centre early in his or her career.

After three years, a graduate could be running a branch with 20 people, three or four product lines and a turnover of £3m a year with a salary of about £20,000. Beyond that depends on the graduate.

The company has an established goal-setting programme (two former trainees are now on the board of the company).

One of the disadvantages of joining NFC used to be that managers became locked into one of the divisions. However, the company is now trying to add breadth to its managers' careers.

Graduates should also expect to relocate for the company relatively often – mobility is pretty much essential. If it's an attraction, there are also opportunities to work in the US, where NFC has significant and expanding interests.

Salaries start at £11,200 a year, to which is added the benefit of a profit-sharing scheme which can be as high as 30 per cent of salary. The retention rate at the BRS division after five years is about 71 per cent.

Other companies that recruit in the distribution sector include Christian Salvesen Distribution, which annually takes on about 30 trainees, of which about five are graduates with degrees in transport and distribution services.

Tip, the Transport Development Group, and Tipbook also recruit, as do a number of large retail companies such as Tesco and Marks and Spencer for their distribution departments. Further information: Commercial Motor and Motor Transport magazines; the Road Haulage Association, telephone 0832-84 1515; the Freight Transport Association, telephone 0892-26171; and the Chartered Institute of Transport, telephone 071-636 9952.

Paul Abrahams



ZOOLOGY

## ZOOLOGY

### Not many coats to fit these graduates

WHEN Sarah Talbot, a zoology undergraduate, visited her university careers adviser, he suggested that given her interest in animals and in the countryside she should consider dog-breeding as an occupation.

Careers advisers are often at a loss when advising zoology graduates. It is a discipline for which there are few obvious careers – and of those which are available, not many are well paid.

So what do zoology graduates do? Some pursue an academic career, earning a PhD along the way. They may become the world's leading expert on the courtship behaviour of the crested newt, or an authority on bird song.

However, academic life is not particularly well paid. Ten years after graduating you could still be earning £10,000 to £12,000. Once you become a specialist it may prove difficult to move into unrelated areas of research. Academic life also usually entails a fair amount of teaching undergraduates. Although this is a useful means of boosting income, some see it as a chore and a distraction from their research.

Zoology covers many areas – biochemistry, genetics, cell biology, ecology, entomology and animal behaviour – and there are jobs in industry for graduates specialising in these fields.

For example, New Scientist frequently advertises research assistant jobs for biology/zoology graduates. The big pharmaceuticals and chemicals companies employ such graduates to help run laboratory experiments and field trials. Salaries are usually between £10,000 to £14,000.

Some cosmetics firms make a point of not using animals for testing products, but plenty of chemicals companies do use them and will continue to do



Zoologists think the most glamorous career is on TV

so mainly because of health and safety requirements. So there will always be a demand for lab assistants to look after animals.

However, if you are more interested in "making a career" as a scientist, you should first consider getting an MSc or PhD. That will make you more valuable when it comes to applying for jobs in industry.

One of the biggest employers of zoologists who have specialised in entomology is the pesticide industry. Chemicals companies such as ICI, Wellcome, Shell, Ciba-Geigy, Sandoz, and Schering are constantly developing and testing new products for pest control. As a zoologist, you could work on the development side or be involved on the monitoring side, seeing what effect – if any – pesticides have on the environment. Such a job may involve travelling abroad to conduct field trials.

Increased environmental awareness means that zoologists with an ecological background can apply their skills to industry and business. With the growth of the Green movement some industrial companies consider it worthwhile to employ

environmental advisers or consultants to monitor pollution at their factories and advise on ways of reducing the emission of pollutants.

Some of the water boards, for example Thames Water Board, hire a handful of zoologists with ecological expertise to look after the nature reserves on their land. Salaries are likely to be in the range of £14,000 to £16,000.

However, the real growth has taken place in the number of small private consultancies: you need to have the ecological expertise and marketing skills to be successful, running research projects on short-term contracts for industry.

Many zoologists think the most glamorous career must be in television, working as a researcher or producer of wildlife programmes for the BBC. It is an extremely competitive field to enter. For every Desmond Morris or David Attenborough to emerge on the TV screen, there are scores of zoologists who don't make it to the cutting room. Further information: There is no central body, so graduates would be advised to consult their university career advisers.

Sara Webb

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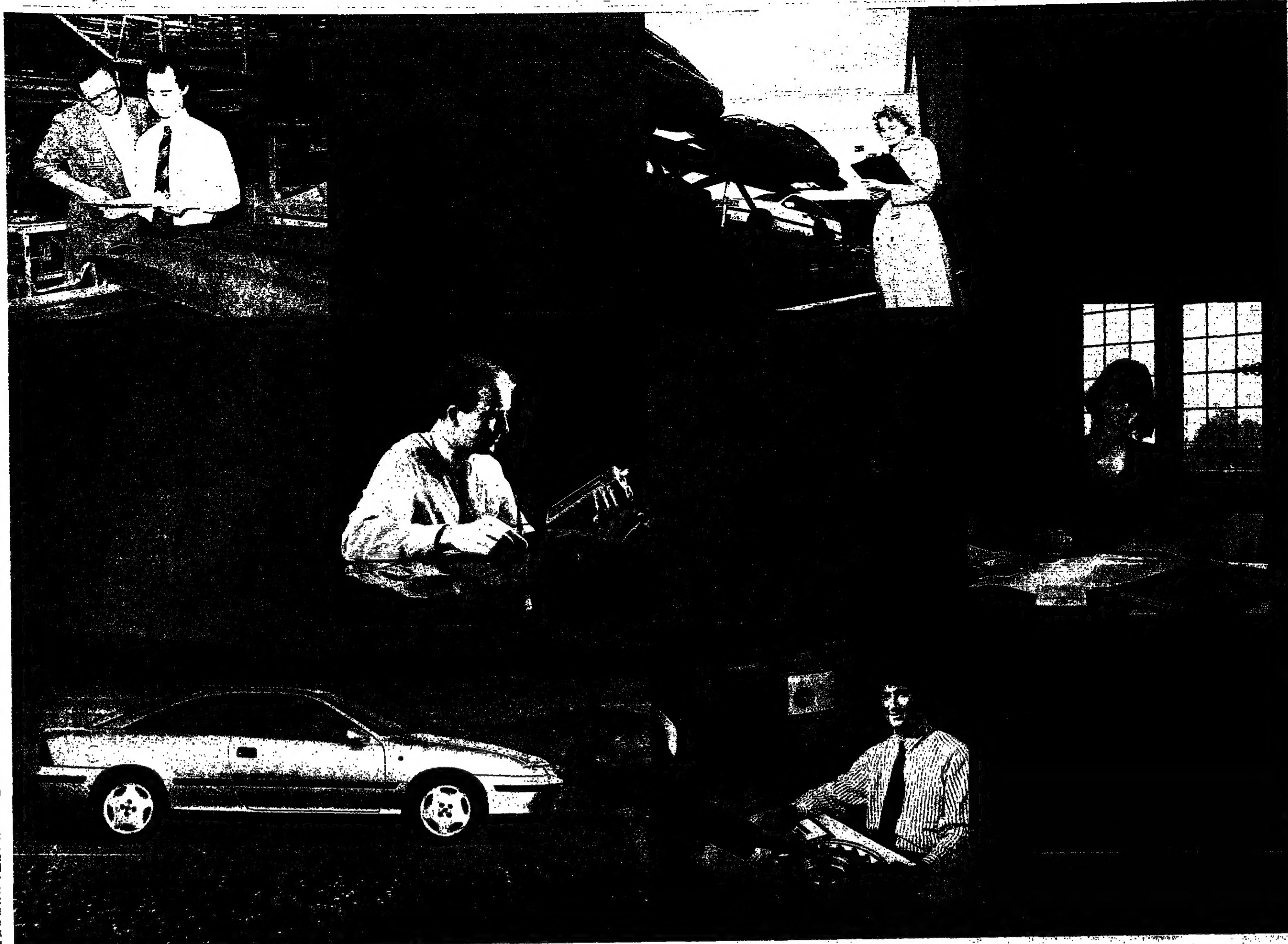
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